

Form **1120S**Tax Returns 1996-1998 Pg 1 of 67  
**U.S. Income Tax Return for an S Corporation**

OMB No. 1545-0130

Department of the Treasury  
Internal Revenue Service

Do not file this form unless the corporation has timely filed  
Form 2553 to elect to be an S corporation.  
See separate instructions.

**1996**

For calendar year 1996, or tax year beginning , 1996, ending , 19

<b>A</b> Date of Election as an S Corporation  12/05/95	<b>Use IRS label. Otherwise please print or type.</b>	<b>Name</b> NUTECH PLASTICS ENGINEERING, INC. Number, Street, and Room or Suite No. (If a P.O. box, see instructions) 8018 EMBURY RD. City or Town GRAND BLANC State MI ZIP Code 48439	<b>C</b> Employer Identification Number 38-3265049
<b>B</b> Business Code No. (see Specific Instructions) 3070			<b>D</b> Date Incorporated 10/26/95
			<b>E</b> Total Assets (see Specific Instructions) \$ 2,035,661.

**F** Check applicable boxes: (1) ☒ Initial return (2) ☐ Final return (3) ☐ Change in address (4) ☐ Amended return

**G** Check this box if this S corporation is subject to the consolidated audit procedures of sections 6241 through 6245 (see instructions before checking this box) ☐

**H** Enter number of shareholders in the corporation at end of the tax year ☐ 2

**Caution:** Include only trade or business income and expenses on lines 1a through 21. See the instructions for more information.

<b>I N C O M E</b>	<b>1 a</b> Gross receipts or sales	6,322,061	<b>b</b> Less returns and allowances		<b>c</b> Bal	<b>1 c</b>	6,322,061.
	<b>2</b> Cost of goods sold (Schedule A, line 8)					<b>2</b>	5,996,048.
	<b>3</b> Gross profit. Subtract line 2 from line 1c					<b>3</b>	326,013.
	<b>4</b> Net gain (loss) from Form 4797, Part II, line 20 (attach Form 4797)					<b>4</b>	
	<b>5</b> Other income (loss) (attach schedule)					<b>5</b>	
	<b>6</b> Total income (loss). Combine lines 3 through 5					<b>6</b>	326,013.
<b>D E D U C T I O N S</b>	<b>7</b> Compensation of officers					<b>7</b>	56,250.
	<b>8</b> Salaries and wages (less employment credits)					<b>8</b>	124,053.
	<b>9</b> Repairs and maintenance					<b>9</b>	2,456.
	<b>10</b> Bad debts					<b>10</b>	
	<b>11</b> Rents					<b>11</b>	195,524.
	<b>12</b> Taxes and licenses					<b>12</b>	15,840.
	<b>13</b> Interest					<b>13</b>	30,848.
	<b>14 a</b> Depreciation (if required, attach Form 4562)	14 a	26,456.				
	<b>b</b> Depreciation claimed on Schedule A and elsewhere on return	14 b					
	<b>c</b> Subtract line 14b from line 14a				<b>14 c</b>	26,456.	
	<b>15</b> Depletion (Do not deduct oil and gas depletion.)				<b>15</b>		
<b>16</b> Advertising				<b>16</b>			
<b>17</b> Pension, profit-sharing, etc, plans				<b>17</b>			
<b>18</b> Employee benefit programs				<b>18</b>	18,114.		
<b>19</b> Other deductions (attach schedule) See Other Deductions.				<b>19</b>	166,601.		
<b>20</b> Total deductions. Add the amounts shown in the far right column for lines 7 through 19				<b>20</b>	636,142.		
<b>21</b> Ordinary income (loss) from trade or business activities. Subtract line 20 from line 6				<b>21</b>	-310,129.		
<b>T A X A N D P A Y M E N T S</b>	<b>22</b> Tax: <b>a</b> Excess net passive income tax (att schedule)	22 a					
	<b>b</b> Tax from Schedule D (Form 1120S)	22 b					
	<b>c</b> Add lines 22a and 22b (see instructions for additional taxes)				<b>22 c</b>		
	<b>23</b> Payments: <b>a</b> 1996 estimated tax payments and amount applied from 1995 return	23 a					
	<b>b</b> Tax deposited with Form 7004	23 b					
	<b>c</b> Credit for federal tax paid on fuels (attach Form 4136)	23 c					
	<b>d</b> Add lines 23a through 23c				<b>23 d</b>		
	<b>24</b> Estimated tax penalty. Check if Form 2220 is attached <input type="checkbox"/>				<b>24</b>		
<b>25</b> Tax due. If the total of lines 22c & 24 is larger than line 23d, enter amount owed. See instrs for depository method of payment				<b>25</b>			
<b>26</b> Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid				<b>26</b>			
<b>27</b> Enter amount of line 26 you want: Credited to 1997 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>				<b>27</b>			

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of Officer \_\_\_\_\_ Date \_\_\_\_\_ Title \_\_\_\_\_

Preparer's Signature \_\_\_\_\_ Date \_\_\_\_\_ Check if self-employed ☐ Preparer's Social Security Number 362-50-2624

Firm's Name (or yours if self-employed) and Address Daig & Daig, P.C., C.P.A.'s  
G-4067 Van Slyke Road  
Flint MI ZIP Code 48507

BAA For Paperwork Reduction Act Notice, see instructions.

CLIENT'S COPY

Form 1120S (1996) NUTECH PLASTICS ENGINEERING, INC.

38-3265049

Page 2

**Schedule A** Cost of Goods Sold (see instructions)

1	Inventory at beginning of year	1	
2	Purchases	2	5,943,264.
3	Cost of labor	3	
4	Additional section 263A costs (attach schedule)	4	0.
5	Other costs (attach schedule) See Schedule A, Other Costs	5	80,840.
6	<b>Total.</b> Add lines 1 through 5	6	6,024,104.
7	Inventory at end of year	7	28,056.
8	<b>Cost of goods sold.</b> Subtract line 7 from line 6. Enter here and on page 1, line 2	8	5,996,048.

9a Check all methods used for valuing closing inventory:

- (i) ☒ Cost as described in Regulations 1.471-3  
 (ii) ☐ Lower of cost or market as described in Regulations section 1.471-4  
 (iii) ☐ Other (specify method used and attach explanation) \_\_\_\_\_

b Check if there was a writedown of 'subnormal' goods as described in Regulations section 1.471-2(c) ☐

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ☐

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO **9d** \_\_\_\_\_

e Do the rules of section 263A (for property produced or acquired for resale) apply to the corporation? ☒ Yes ☐ No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? ☐ Yes ☒ No  
 If 'Yes,' attach explanation \_\_\_\_\_

**Schedule B** Other Information

	Yes	No
1 Check method of accounting: (a) <input type="checkbox"/> Cash (b) <input checked="" type="checkbox"/> Accrual (c) <input type="checkbox"/> Other (specify) _____		
2 Refer to the list in the instructions and state the corporation's principal: (a) Business activity <input checked="" type="checkbox"/> MANUFACTURING (b) Product or service <input checked="" type="checkbox"/> PLASTICS		
3 Did the corporation at the end of the tax year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) If 'Yes,' attach a schedule showing: (a) name, address, and employer identification number and (b) percentage owned		X
4 Was the corporation a member of a controlled group subject to the provisions of section 1561?		X
5 At any time during calendar year 1996, did the corporation have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? (See the instructions for exceptions and filing requirements for Form TD F 90-22.1.) If 'Yes,' enter the name of the foreign country _____		X
6 During the tax year, did the corporation receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If 'Yes,' see instructions for other forms the corporation may have to file		X
7 Check this box if the corporation has filed or is required to file Form 8264, Application for Registration of a Tax Shelter <input type="checkbox"/>		
8 Check this box if the corporation issued publicly offered debt instruments with original issue discount. If so, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instructions. <input type="checkbox"/>		
9 If the corporation: (a) filed its election to be an S corporation after 1986, (b) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to its basis (or the basis of any other property) in the hands of a C corporation, and (c) has net unrealized built-in gain (defined in section 1374(d)(1)) in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years (see instructions) \$ _____		
10 Check this box if the corporation had subchapter C earnings and profits at the close of the tax year (see instructions). <input type="checkbox"/>		

**Designation of Tax Matters Person** (see instructions)

Enter below the shareholder designated as the tax matters person (TMP) for the tax year of this return:

Name of Designated TMP ☒ JOHN W. MAILEY

Identifying Number of TMP ☒ 381-44-6408

Address of Designated TMP ☒ 5028 MCCLANDISH RD.  
 GRAND BLANC, MI 48439

**Schedule K Shareholders' Shares of Income, Credits, Deductions, etc**

	(a) Pro rata share items	(b) Total amount
<b>Income (Loss)</b>	1 Ordinary income (loss) from trade or business activities (page 1, line 21) .....	1 -310,129.
	2 Net income (loss) from rental real estate activities (attach Form 8825) .....	2
	3a Gross income from other rental activities ..... 3a	
	b Expenses from other rental activities (attach schedule) ..... 3b	
	c Net income (loss) from other rental activities. Subtract line 3b from line 3a .....	3c
	4 Portfolio income (loss):	
	a Interest income .....	4a
	b Dividend income .....	4b
	c Royalty income .....	4c
	d Net short-term capital gain (loss) (attach Schedule D (Form 1120S)) .....	4d
e Net long-term capital gain (loss) (attach Schedule D (Form 1120S)) .....	4e	
f Other portfolio income (loss) (attach schedule) .....	4f	
5 Net gain (loss) under section 1231 (other than due to casualty or theft) (attach Form 4797) .....	5	
6 Other income (loss) (attach schedule) .....	6	
<b>Deductions</b>	7 Charitable contributions (attach schedule) .....	7
	8 Section 179 expense deduction (attach Form 4562) .....	8
	9 Deductions related to portfolio income (loss) (itemize) .....	9
	10 Other deductions (attach schedule) .....	10
<b>Investment interest</b>	11a Interest expense on investment debts .....	11a
	b (1) Investment income included on lines 4a, 4b, 4c, and 4f above (2) Investment expenses included on line 9 above .....	11b (1) 11b (2)
<b>Credits</b>	12a Credit for alcohol used as a fuel (attach Form 6478) .....	12a
	b Low-income housing credit:	
	(1) From partnerships to which section 42(j)(5) applies for property placed in service before 1990 .....	12b (1)
	(2) Other than on line 12b(1) for property placed in service before 1990 .....	12b (2)
	(3) From partnerships to which section 42(j)(5) applies for property placed in service after 1989 .....	12b (3)
	(4) Other than on line 12b(3) for property placed in service after 1989 .....	12b (4)
	c Qualified rehabilitation expenditures related to rental real estate activities (attach Form 3468) .....	12c
	d Credits (other than on lines 12b & 12c) related to rental real estate activities .....	12d
	e Credits related to other rental activities .....	12e
	13 Other credits .....	13
<b>Adjustments and Tax Preference Items</b>	14a Depreciation adjustment on property placed in service after 1986 .....	14a
	b Adjusted gain or loss .....	14b
	c Depletion (other than oil and gas) .....	14c
	d (1) Gross income from oil, gas, or geothermal properties (2) Deductions allocable to oil, gas, or geothermal properties .....	14d (1) 14d (2)
	e Other adjustments and tax preference items (attach schedule) .....	14e
<b>Foreign Taxes</b>	15a Type of income ..... ▶	
	b Name of foreign country or U.S. possession ..... ▶	
	c Total gross income from sources outside the United States (attach schedule) .....	15c
	d Total applicable deductions and losses (attach schedule) .....	15d
	e Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued .....	15e
	f Reduction in taxes available for credit (attach schedule) .....	15f
	g Other foreign tax information (attach schedule) .....	15g
<b>Other</b>	16 Section 59(e)(2) expenditures: a Type ... ▶ b Amount .....	16b
	17 Tax-exempt interest income .....	17
	18 Other tax-exempt income .....	18
	19 Nondeductible expenses .....	19 6,131.
	20 Total property distributions (including cash) other than dividends reported on line 22 below .....	20
	21 Other items and amounts required to be reported separately to shareholders (attach schedule) .....	
	22 Total dividend distributions paid from accumulated earnings and profits .....	22
	23 <b>Income (loss).</b> (Required only if Schedule M-1 must be completed.) Combine lines 1 through 6 in column (b). From the result, subtract the sum of lines 7 through 11a, 15e, and 16b .....	23 -310,129.

BAA

CLIENT'S COPY

Schedule L Balance Sheets		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1	Cash				204,474.
2a	Trade notes and accounts receivable			1,393,828.	
b	Less allowance for bad debts				1,393,828.
3	Inventories				28,056.
4	U.S. government obligations				
5	Tax-exempt securities				
6	Other current assets (attach schedule) Ln. 6 St.				28,048.
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (attach schedule)				
10a	Buildings and other depreciable assets			387,738.	
b	Less accumulated depreciation			26,457.	361,281.
11a	Depletable assets				
b	Less accumulated depletion				
12	Land (net of any amortization)				
13a	Intangible assets (amortizable only)			23,014.	
b	Less accumulated amortization			3,040.	19,974.
14	Other assets (attach schedule)				
15	Total assets				2,035,661.
Liabilities and Shareholders' Equity					
16	Accounts payable				1,802,352.
17	Mortgages, notes, bonds payable in less than 1 year				
18	Other current liabilities (attach sch) Ln. 18 St.				5,801.
19	Loans from shareholders				443,768.
20	Mortgages, notes, bonds payable in 1 year or more				
21	Other liabilities (attach schedule)				
22	Capital stock				100,000.
23	Paid-in or capital surplus				
24	Retained earnings				-316,260.
25	Less cost of treasury stock				
26	Total liabilities and shareholders' equity				2,035,661.

**Schedule M-1 Reconciliation of Income (Loss) per Books with Income (Loss) per Return** (You are not required to complete this schedule if the total assets on line 15, column (d), of Schedule L are less than \$25,000.)

1	Net income (loss) per books	-316,260.	5	Income recorded on books this year not included on Schedule K, lines 1 through 6 (itemize):	
2	Income included on Sch K, lines 1 through 6, not recorded on books this year (itemize):		a	Tax-exempt interest \$	
3	Expenses recorded on books this year not included on Schedule K, lines 1 through 11a, 15e, and 16b (itemize):		6	Deductions included on Schedule K, lines 1 through 11a, 15e, and 16b, not charged against book income this year (itemize):	
a	Depreciation \$		a	Depreciation \$	
b	Travel and entertainment \$ 5,871.		7	Add lines 5 and 6	
	PENALTY FEES 260.		8	Income (loss) (Schedule K, Ln 23). Ln 4 less Ln 7	-310,129.
		6,131.			
4	Add lines 1 through 3	-310,129.			

**Schedule M-2 Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed**

	(a) Accumulated adjustments account	(b) Other adjustments account	(c) Shareholders' undistributed taxable income previously taxed
1	Balance at beginning of tax year		
2	Ordinary income from page 1, line 21		
3	Other additions		
4	Loss from page 1, line 21	310,129.	
5	Other reductions See Schedule M-2, Other Reductions	6,131.	
6	Combine lines 1 through 5	-316,260.	
7	Distributions other than dividend distributions		
8	Balance at end of tax year. Subtract line 7 from line 6	-316,260.	

Tax Returns 1996-1998 Pg 5 of 67  
Depreciation and Amortization

OMB No. 1545-0172

Form **4562**Department of the Treasury  
Internal Revenue Service (99)

## (Including Information on Listed Property)

▶ Attach this form to your return.

**1996**  
67

Name(s) Shown on Return

NUTECH PLASTICS ENGINEERING, INC..

Business or Activity to Which This Form Relates

Form 1120S Line 21

Identifying Number

38-3265049

**Part I Election to Expense Certain Tangible Property (Section 179)**

(Note: If you have any 'listed property,' complete Part V before you complete Part I.)

1	Maximum dollar limitation. If an enterprise zone business, see instructions	1	\$17,500.
2	Total cost of section 179 property placed in service. See instructions	2	
3	Threshold cost of section 179 property before reduction in limitation	3	\$200,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter amount from line 27	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from 1995. See instructions	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instrs)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 1997. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property (automobiles, certain other vehicles, cellular telephones, certain computers, or property used for entertainment, recreation, or amusement). Instead, use Part V for listed property.

**Part II MACRS Depreciation for Assets Placed in Service Only During Your 1996 Tax Year**

(Do Not Include Listed Property)

**Section A - General Asset Account Election**

- 14 If you are making the election under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check this box. See instructions
- ☐

**Section B - General Depreciation System (GDS) (See instructions)**

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
15a 3-year property						
b 5-year property		10,652.	5	HY	200DB	2,130.
c 7-year property		148,784.	7	HY	200DB	21,255.
d 10-year property						
e 15-year property		13,226.	15	HY	150DB	661.
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27.5 yrs	MM	S/L	
			27.5 yrs	MM	S/L	
i Nonresidential real property	04/01/96	142,102.	39 yrs	MM	S/L	2,410.
	12/30/96	86,250.	39 yrs	MM	S/L	0.

**Section C - Alternative Depreciation System (ADS) (See instructions)**

16a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

**Part III Other Depreciation (Do Not Include Listed Property) (See instructions)**

17 GDS and ADS deductions for assets placed in service in tax years beginning before 1996	17	
18 Property subject to section 168(f)(1) election	18	
19 ACRS and other depreciation	19	

**Part IV Summary (See instructions)**

20 Listed property. Enter amount from line 26	20	
21 Total. Add deductions on line 12, lines 15 and 16 in column (g), and lines 17 through 20. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions	21	26,456.
22 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	22	

CLIENT'S COPY

Form 4562 (1996) NUTECH PLASTICS ENGINEERING, INC.

38-3265049

Page 2

**Part V** Listed Property — Automobiles, Certain Other Vehicles, Cellular Telephones, Certain Computers, and Property Used for Entertainment, Recreation, or Amusement

**Note:** For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 23a, 23b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

**Section A — Depreciation and Other Information (Caution: See instructions for limitations for automobiles.)**

23a Do you have evidence to support the business/investment use claimed?		Yes	No	23b If 'Yes,' is the evidence written?		Yes	No	
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost
24 Property used more than 50% in a qualified business use (see instructions):								
25 Property used 50% or less in a qualified business use (see instructions):								
26 Add amounts in column (h). Enter the total here and on line 20, page 1							26	
27 Add amounts in column (i). Enter the total here and on line 7, page 1							27	

**Section B — Information On Use of Vehicles**

Complete this section for vehicles used by a sole proprietor, partner, or other 'more than 5% owner,' or related person.

If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1	(b) Vehicle 2	(c) Vehicle 3	(d) Vehicle 4	(e) Vehicle 5	(f) Vehicle 6
28 Total business/investment miles driven during the year (Do not include commuting miles)						
29 Total commuting miles driven during the year						
30 Total other personal (noncommuting) miles driven						
31 Total miles driven during the year. Add lines 28 through 30						
	Yes	No	Yes	No	Yes	No
32 Was the vehicle available for personal use during off-duty hours?						
33 Was the vehicle used primarily by a more than 5% owner or related person?						
34 Is another vehicle available for personal use?						

**Section C — Questions for Employers Who Provide Vehicles for Use by Their Employees**

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

	Yes	No
35 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
36 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See instructions for vehicles used by corporate officers, directors, or 1% or more owners		
37 Do you treat all use of vehicles by employees as personal use?		
38 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
39 Do you meet the requirements concerning qualified automobile demonstration use? See instructions		

**Note:** If your answer to 35, 36, 37, 38, or 39 is 'Yes,' you need not complete Section B for the covered vehicles.

**Part VI Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code Section	(e) Amortization period or percentage	(f) Amortization for this year
40 Amortization of costs that begins during your 1996 tax year:					
ORGANIZATION COSTS	04/24/96	7,549.	248	5.00	1,007.
See Additional Amortization					2,033.
41 Amortization of costs that began before 1996				41	
42 Total. Enter here and on 'Other Deductions' or 'Other Expenses' line of your return				42	3,040.

Form 1120S, Page 1, Line 19

**Other Deductions**

AMORTIZATION	3,040.
AUTOMOBILE AND TRUCK EXPENSE	16,064.
BANK CHARGES	570.
DUES AND SUBSCRIPTIONS	2,363.
EQUIPMENT RENT	-95.
INSURANCE	10,861.
LEGAL AND PROFESSIONAL	40,563.
MEALS AND ENTERTAINMENT (50%)	5,871.
MISCELLANEOUS	288.
OFFICE EXPENSE	12,211.
OUTSIDE SERVICES	30,873.
PERMITS AND FEES	1,090.
POSTAGE	368.
PRINTING	3,424.
SUPPLIES	332.
TELEPHONE	13,787.
TRAVEL	1,412.
UTILITIES	5,120.
WASTE REMOVAL	3,213.
PROFESSIONAL DEVELOPMENT	560.
COMPUTER SOFTWARE	1,126.
SAMPLES	4,810.
CONTRACT LABOR	8,750.
	166,601.

Form 1120S, Page 2, Schedule A, Line 5

**Schedule A, Other Costs**

RESEARCH & DEVELOPMENT	1,680.
PARTS	55,547.
FREIGHT & DELIVERY	6,708.
TRAINING	490.
INVENTORY OVERHEAD ADJUST	-33,814.
RESTOCKING FEE	1,378.
START-UP COSTS	17,291.
ENGINEERING	2,185.
EQUIPMENT MAINTENANCE	12,306.
SUPPLIES-SHOP	15,101.
SUPPLIES-QUALITY CONTROL	1,071.
FREIGHT	897.
	80,840.

Other Current Assets (Itemize):

1120S, Schedule L, Line 6

Other Current Assets (Itemize):	Beginning of tax year	End of tax year
ACCTS RECEIVABLE-EMPLOYEE		8,646.
PAYROLL DEDUCTIONS		5,837.
Prepaid Expenses		13,565.

28,048.

CLIENT'S COPY

Other Current Liabilities (Itemize):  
 1120S, Schedule L, Line 18

Other Current Liabilities (Itemize):	Beginning of tax year	End of tax year
ACCRUED EXPENSES		5,801.
		5,801.

Form 1120S, Page 4, Schedule M-2, Line 5  
 Schedule M-2, Other Reductions

TRAVEL AND ENTERTAINMENT	5,871.	
PENALTY FEES	260.	
	6,131.	

Form 4562, line 40  
 Additional Amortization

(a) Description of costs	(b) Date amorti- zation begins	(c) Amortizable amount	(d) Code section	(e) Amorti- zation period or percentage	(f) Amortization for this year
ORGANIZATION COSTS	04/26/96	13,755.	248	5.00	1,834.
ORGANIZATION COSTS	05/31/96	1,710.	248	5.00	199.
					2,033.

CLIENT'S COPY



FOR THE YEAR ENDING DECEMBER 31, 1996

BEGINNING INVENTORY	\$0
ENDING INVENTORY	\$28,056
% INVENTORY TO PURCHASES	0.00%

SALES

401000 - Sales: Tooling	264,561
401000 - Sales: Division 2 Purchasing	5,989,383
401000 - Sales: Retail	66,017
401400 - Sales: Research & Development	2,100

TOTAL SALES	\$6,322,062
-------------	-------------

DIRECT COSTS

501000 - Cost of Goods Sold: 501100 - Tooling Cost	134,173
501000 - Cost of Goods Sold: 501200 - Division 2 Purchasing	5,781,034
501000 - Cost of Goods Sold: 501300 - Parts	55,547
501000 - Cost of Goods Sold: 501400 - Research & Development	1,680

D TOTAL PURCHASES	\$6,000,490
-------------------	-------------

D 614000 - Freight and Delivery	6,708
---------------------------------	-------

634000 - Tools	491
----------------	-----

641000 - Inventory Overhead Adjustment	(33,814)
--	----------

D 650000 - Restocking Fee	1,378
---------------------------	-------

TOTAL	\$5,975,253
-------	-------------

GENERAL & ADMIN

M 621010 - Penalty Fees	\$260	\$0
-------------------------	-------	-----

M 603000 - Bank Service Charges	570	0
---------------------------------	-----	---

M 605000 - Computer Software	1,126	0
------------------------------	-------	---

M 606000 - Contract Labor	8,750	0
---------------------------	-------	---

M 607000 - Contributions	0	0
--------------------------	---	---

M 608000 - Depreciation Expense: 608100 - Dep. Capitol Equip. Expen:	17,525	0
--	--------	---

M 608000 - Depreciation Expense: 608200 - Dep. Leasehold Imp. Expe	22,633	0
--	--------	---

M 608000 - Depreciation Expense: 608300 - Dep. Office Equip. Expen:	7,349	0
---	-------	---

M 609000 - Dues and Subscriptions	2,363	0
-----------------------------------	-------	---

M 610000 - Engineering	2,185	0
------------------------	-------	---

M 610000 - Engineering: 610100 - ISO 9000 Training	490	0
--	-----	---

M 611000 - Equipment Maintainance	12,306	0
-----------------------------------	--------	---

M 612000 - Equipment Rental	95	0
-----------------------------	----	---

M 613000 - Fees and permits	1,090	0
-----------------------------	-------	---

M 615000 - Insurance: 615100 - Health Insurance	18,114	0
---	--------	---

M 615000 - Insurance: 615300 - Liability Insurance	4,312	0
--	-------	---

M 615000 - Insurance: 615400 - Work Comp	4,864	0
--	-------	---

M 618000 - Miscellaneous	288	0
--------------------------	-----	---

M 619000 - Outside labor	30,873	0
--------------------------	--------	---

M 620000 - Payroll Expenses: 620100 - Salaries and Wages	180,303	0
--	---------	---

M 620000 - Payroll Expenses: 620200 - Payroll Taxes	15,840	0
---	--------	---

S 621000 - Postage and Delivery	368	0
---------------------------------	-----	---

M 622000 - Printing and Reproduction	3,424	0
--------------------------------------	-------	---

M 623000 - Professional Development	66	0
-------------------------------------	----	---

M 624000 - Professional Fees: 624100 - Inspection Fee	650	0
---	-----	---

M 624000 - Professional Fees: 624200 - Accounting	4,000	0
---	-------	---

M 624000 - Professional Fees: 624300 - Consulting	970	0
---	-----	---

M 624000 - Professional Fees: 624400 - Legal Fees	2,686	0
---	-------	---

M 625000 - Reference Materials	494	0
--------------------------------	-----	---

M 626000 - Rent	57,253	0
-----------------	--------	---

M 627000 - Repairs: 627100 - Building Repairs	1,699	0
---	-------	---

M 627000 - Repairs: 627200 - Computer Repairs	35	0
---	----	---

M 627000 - Repairs: 627300 - Equipment Repairs	99	0
--	----	---

S 628000 - Samples	4,810	0
--------------------	-------	---

S 629000 - Shipping costs	897	0
---------------------------	-----	---

M 630000 - Start-up costs	17,291	0
---------------------------	--------	---

M 631000 - Supplies	65	0
---------------------	----	---

M 631000 - Supplies: 631100 - Quality Control	1,071	0
---	-------	---

M 631000 - Supplies: 631200 - Shop	14,610	0
------------------------------------	--------	---

S 631000 - Supplies: 631300 - Marketing	267	0
---	-----	---

M 631000 - Supplies: 631500 - Office	12,211	0
--------------------------------------	--------	---

CLIENT'S COPY

## FOR THE YEAR ENDING DECEMBER 31, 1996

M	633000	Telephone	13,787	0
M	635000	Travel & Ent	3,389	0
M	635000	Travel & Ent:635100 Meals & Entertainment	8,353	0
M	635000	Travel & Ent:635200 Travel	1,412	0
M	638000	Utilities:638100 Gas and Electric	5,120	0
M	639000	Vehicle expense:639600 Leases	8,496	0
M	639000	Vehicle expense:639100 Repairs	126	0
S	639000	Vehicle expense:639200 Mileage	3,145	0
M	639000	Vehicle expense:639300 Insurance	3,276	0
M	639000	Vehicle expense:639400 Gasoline	2,087	0
M	639000	Vehicle expense:639500 Miscellaneous Auto Expense	1,057	0
M	640000	Waste Collection	64	0
		TOTAL	\$504,616	\$0

APPLIED G & A / PURCHASES	0.00%
% APPLIED G & A IN ENDING INVENTORY	\$0.00
BEGINNING 263A ACCOUNT BALANCE	\$0.00
BALANCE IN ACCOUNT	\$0.00

CLIENT'S COPY

**Schedule K-1**  
(Form 1120S)**Shareholder's Share of Income, Credits, Deductions, etc.**

OMB No. 1545-0130

Department of the Treasury  
Internal Revenue Service▶ See separate instructions.  
For calendar year 1996 or tax year**1996**

beginning , 1996, and ending , 19

Shareholder's identifying number ▶ 381-44-6408

Corporation's identifying number ▶ 38-3265049

Shareholder's Name, Address, and ZIP Code

Corporation's Name, Address, and ZIP Code

JOHN W. MAILEY  
5028 MCCLANDISH RD.  
GRAND BLANC, MI 48439NUTECH PLASTICS ENGINEERING, INC.  
8018 EMBURY RD.  
GRAND BLANC, MI 48439

- A Shareholder's percentage of stock ownership for tax year (see instructions for Schedule K-1) ▶ 51.00000 %
- B Internal Revenue Service Center where corporation filed its return ▶ Cincinnati, OH 45999-0013
- C Tax shelter registration number (see instructions for Schedule K-1) ▶
- D Check applicable boxes: (1) ☐ Final K-1 (2) ☐ Amended K-1

(a) Pro rata share items		(b) Amount	(c) Form 1040 filers enter the amount in col (b) on:
Income (Loss)	1 Ordinary income (loss) from trade or business activities	1 -158,166.	See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	2 Net income (loss) from rental real estate activities	2	
	3 Net income (loss) from other rental activities	3	
	4 Portfolio income (loss):		
	a Interest	4a	Schedule B, Part I, line 1
	b Dividends	4b	Schedule B, Part II, line 5
	c Royalties	4c	Schedule E, Part I, line 4
	d Net short-term capital gain (loss)	4d	Schedule D, line 5, col (f) or (g)
	e Net long-term capital gain (loss)	4e	Schedule D, line 13, col (f) or (g)
	f Other portfolio income (loss) (attach schedule)	4f	(Enter on applicable line of return.)
5 Net gain (loss) under section 1231 (other than due to casualty or theft)	5	See Shareholder's Instructions for Schedule K-1 (Form 1120S).	
6 Other income (loss) (attach schedule)	6	(Enter on applicable line of return.)	
Deductions	7 Charitable contributions (attach schedule)	7	Schedule A, line 15 or 16
	8 Section 179 expense deduction	8	See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	9 Deductions related to portfolio income (loss) (attach schedule)	9	
	10 Other deductions (attach schedule)	10	
Investment Interest	11a Interest expense on investment debts	11a	Form 4952, line 1
	b (1) Investment income included on lines 4a, 4b, 4c, and 4f above	b(1)	See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	(2) Investment expenses included on line 9 above	b(2)	
Credits	12a Credit for alcohol used as fuel	12a	Form 6478, line 10
	b Low-income housing credit:		Form 8586, line 5
	(1) From section 42(j)(5) partnerships for property placed in service before 1990	b(1)	
	(2) Other than on line 12b(1) for property placed in service before 1990	b(2)	
	(3) From section 42(j)(5) partnerships for property placed in service after 1989	b(3)	
	(4) Other than on line 12b(3) for property placed in service after 1989	b(4)	
	c Qualified rehabilitation expenditures related to rental real estate activities	12c	See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	d Credits (other than credits shown on lines 12b and 12c) related to rental real estate activities	12d	
	e Credits related to other rental activities	12e	
	13 Other credits	13	
Adjustments and Tax Preference Items	14a Depreciation adjustment on property placed in service after 1986	14a	See Shareholder's Instructions for Schedule K-1 (Form 1120S) and Instructions for Form 6251
	b Adjusted gain or loss	14b	
	c Depletion (other than oil and gas)	14c	
	d (1) Gross income from oil, gas, or geothermal properties	d(1)	
	(2) Deductions allocable to oil, gas, or geothermal properties	d(2)	
	e Other adjustments and tax preference items (attach schedule)	14e	

BAA For Paperwork Reduction Act Notice, see instructions for Form 1120S.

Schedule K-1 (Form 1120S) 1996

Schedule K-1 (Form 1120S) (1996) JOHN W. MAILEY

381-44-6408

Page 2

(a) Pro rata share items		(b) Amount	(c) Form 1040 filers enter the amount in column (b) on:
Foreign Taxes	15a Type of income ▶		Form 1116, Check boxes
	b Name of foreign country or U.S. possession ▶		
	c Total gross income from sources outside the United States (attach schedule)	15c	Form 1116, Part I
	d Total applicable deductions and losses (attach schedule)	15d	
	e Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	15e	Form 1116, Part II
	f Reduction in taxes available for credit (attach schedule)	15f	Form 1116, Part III
	g Other foreign tax information (attach schedule)	15g	See Instructions for Form 1116
Other	16 Section 59(e)(2) expenditures: a Type ▶		See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	b Amount	16b	
	17 Tax-exempt interest income	17	Form 1040, line 8b
	18 Other tax-exempt income	18	
	19 Nondeductible expenses	19	3,127.
	20 Property distributions (including cash) other than dividend distributions reported to you on Form 1099-DIV	20	See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	21 Amount of loan repayments for 'Loans from Shareholders'	21	
	22 Recapture of low-income housing credit:		
a From section 42(j)(5) partnerships	22a		Form 8611, line 8
b Other than on line 22a	22b		
Supplemental Information	23 Supplemental information required to be reported separately to each shareholder (attach additional schedules if more space is needed):		

**Schedule K-1**  
(Form 1120S)**Shareholder's Statement of 1996-1998 Credits, Deductions, etc**

OMB No. 1545-0130

Department of the Treasury  
Internal Revenue Service▶ See separate instructions.  
For calendar year 1996 or tax year**1996**

beginning , 1996, and ending , 19

Shareholder's identifying number ▶ 376-42-0636

Corporation's identifying number ▶ 38-3265049

Shareholder's Name, Address, and ZIP Code

Corporation's Name, Address, and ZIP Code

JOHN G. COOPER  
7247 MCCLANDISH RD.  
GRAND BLANC, MI 48439NUTECH PLASTICS ENGINEERING, INC.  
8018 EMBURY RD.  
GRAND BLANC, MI 48439

- A Shareholder's percentage of stock ownership for tax year (see instructions for Schedule K-1) ▶ 49.00000 %
- B Internal Revenue Service Center where corporation filed its return ▶ Cincinnati, OH 45999-0013
- C Tax shelter registration number (see instructions for Schedule K-1) ▶
- D Check applicable boxes: (1) ☐ Final K-1 (2) ☐ Amended K-1

(a) Pro rata share items		(b) Amount	(c) Form 1040 filers enter the amount in col (b) on:
Income (Loss)	1 Ordinary income (loss) from trade or business activities	1 -151,963.	See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	2 Net income (loss) from rental real estate activities	2	
	3 Net income (loss) from other rental activities	3	
	4 Portfolio income (loss):		
	a Interest	4a	Schedule B, Part I, line 1
	b Dividends	4b	Schedule B, Part II, line 5
	c Royalties	4c	Schedule E, Part I, line 4
	d Net short-term capital gain (loss)	4d	Schedule D, line 5, col (f) or (g)
	e Net long-term capital gain (loss)	4e	Schedule D, line 13, col (f) or (g)
	f Other portfolio income (loss) (attach schedule)	4f	(Enter on applicable ln of return.)
5 Net gain (loss) under section 1231 (other than due to casualty or theft)	5	See Shareholder's Instructions for Schedule K-1 (Form 1120S).	
6 Other income (loss) (attach schedule)	6	(Enter on applicable ln of return.)	
Deductions	7 Charitable contributions (attach schedule)	7	Schedule A, line 15 or 16
	8 Section 179 expense deduction	8	See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	9 Deductions related to portfolio income (loss) (attach schedule)	9	
	10 Other deductions (attach schedule)	10	
Investment Interest	11a Interest expense on investment debts	11a	Form 4952, line 1
	b (1) Investment income included on lines 4a, 4b, 4c, and 4f above	b(1)	See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	(2) Investment expenses included on line 9 above	b(2)	
Credits	12a Credit for alcohol used as fuel	12a	Form 6478, line 10
	b Low-income housing credit:		Form 8586, line 5
	(1) From section 42(j)(5) partnerships for property placed in service before 1990	b(1)	
	(2) Other than on line 12b(1) for property placed in service before 1990	b(2)	
	(3) From section 42(j)(5) partnerships for property placed in service after 1989	b(3)	
	(4) Other than on line 12b(3) for property placed in service after 1989	b(4)	
	c Qualified rehabilitation expenditures related to rental real estate activities	12c	See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	d Credits (other than credits shown on lines 12b and 12c) related to rental real estate activities	12d	
	e Credits related to other rental activities	12e	
	13 Other credits	13	
Adjustments and Tax Preference Items	14a Depreciation adjustment on property placed in service after 1986	14a	See Shareholder's Instructions for Schedule K-1 (Form 1120S) and instructions for Form 6251
	b Adjusted gain or loss	14b	
	c Depletion (other than oil and gas)	14c	
	d (1) Gross income from oil, gas, or geothermal properties	d(1)	
	(2) Deductions allocable to oil, gas, or geothermal properties	d(2)	
	e Other adjustments and tax preference items (attach schedule)	14e	

BAA For Paperwork Reduction Act Notice, see instructions for Form 1120S.

Schedule K-1 (Form 1120S) 1996

Schedule K-1 (Form 1120S) (1996) JOHN G. COOPER

376-42-0636

Page 2

(a) Pro rata share items		(b) Amount	(c) Form 1040 filers enter the amount in column (b) on:
<b>Foreign Taxes</b>	<b>15a</b> Type of income ▶		Form 1116, Check boxes
	<b>b</b> Name of foreign country or U.S. possession ▶		
	<b>c</b> Total gross income from sources outside the United States (attach schedule)	<b>15c</b>	Form 1116, Part I
	<b>d</b> Total applicable deductions and losses (attach schedule)	<b>15d</b>	
	<b>e</b> Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	<b>15e</b>	Form 1116, Part II
	<b>f</b> Reduction in taxes available for credit (attach schedule)	<b>15f</b>	Form 1116, Part III
	<b>g</b> Other foreign tax information (attach schedule)	<b>15g</b>	See Instructions for Form 1116
<b>Other</b>	<b>16</b> Section 59(e)(2) expenditures: <b>a</b> Type ▶		See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	<b>b</b> Amount	<b>16b</b>	
	<b>17</b> Tax-exempt interest income	<b>17</b>	Form 1040, line 8b
	<b>18</b> Other tax-exempt income	<b>18</b>	
	<b>19</b> Nondeductible expenses	<b>19</b>	3,004.
	<b>20</b> Property distributions (including cash) other than dividend distributions reported to you on Form 1099-DIV	<b>20</b>	See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	<b>21</b> Amount of loan repayments for 'Loans from Shareholders'	<b>21</b>	
	<b>22</b> Recapture of low-income housing credit:		
<b>a</b> From section 42(j)(5) partnerships	<b>22a</b>		Form 8611, line 8
<b>b</b> Other than on line 22a	<b>22b</b>		
<b>Supplemental Information</b>	<b>23</b> Supplemental information required to be reported separately to each shareholder (attach additional schedules if more space is needed):		

<b>IDENTIFICATION</b>	
▶ 1 This return is for calendar year <b>1996</b> or for the following tax year Beginning Date month year Ending Date month year <div>1996</div> <div>19</div>	▶ 5 Federal Employer ID No. (FEIN) or TR No. <div>38-3265049</div>
2 Name (Type or Print) <b>NUTECH PLASTICS ENGINEERING, INC.</b>	6a Check this box if address is new <input type="checkbox"/> b Check this box if discontinued <input type="checkbox"/> Effective date of discontinuance
d/b/a	7 Business Start Date <div>10-26-95</div>
Street Address <b>8018 EMBURY RD.</b>	8 Principal Business Activity <b>MANUFACTURING</b>
City, State, ZIP <b>GRAND BLANC, MI 48439</b>	▶ 9 Organization Type (check one) a. <input type="checkbox"/> Individual b. <input type="checkbox"/> Fiduciary c. <input type="checkbox"/> Professional Corporation d. <input checked="" type="checkbox"/> S-Corporation e. <input type="checkbox"/> Other Corporation f. <input type="checkbox"/> Partnership g. <input type="checkbox"/> Limited Liability Company
▶ 3 Check this box if you are filing a Michigan consolidated return. <input type="checkbox"/> Enter authorization number	
▶ 4 Check this box if you are a member of a controlled group (see instruction book). <input type="checkbox"/>	

10 Gross receipts	▶ 10	<div>6,321,801.</div>
11 Business income. Filers using the Short-Method, go to C-8000S, line 5	▶ 11	<div>( 310,129. )</div>
<b>COMPENSATION</b>		
12 Salaries, wages and other payments to employees	▶ 12	<div>180,303.</div>
13 Employee insurance plans - health, life	▶ 13	<div>18,114.</div>
14 Pension, retirement, profit sharing plans	▶ 14	<div>0.</div>
15 Other payments - supplemental unemployment benefit trust, etc.	▶ 15	<div>0.</div>
16 Compensation. Add lines 12-15	▶ 16	<div>198,417.</div>
<b>ADDITIONS (to the extent deducted in arriving at business income)</b>		
17 Depreciation and other write-off of tangible assets	▶ 17	<div>26,457.</div>
18 Taxes imposed on or measured by income (city, state, foreign)	▶ 18	<div>0.</div>
19 Single business tax	▶ 19	<div>0.</div>
20 Dividends, interest and royalty expenses	▶ 20	<div>30,848.</div>
21 Capital loss carryover or carryback	▶ 21	<div>0.</div>
22 Net operating loss carryover or carryback	▶ 22	<div>0.</div>
23 Gross interest and dividend income from bonds and similar obligations issued by states other than Michigan and its political subdivisions	▶ 23	<div>0.</div>
24 Any deduction or exclusion due to classification as FSC or similar classification and expenses of financial organizations (see inst.)	▶ 24	<div>0.</div>
25 Losses from partnerships. Account no.	▶ 25	<div>0.</div>
26 Total Additions. Add lines 17-25	▶ 26	<div>57,305.</div>
27 Subtotal. Add lines 11, 16 and 26	▶ 27	<div>( 54,407. )</div>
<b>SUBTRACTIONS</b>		
28 Dividends, interest and royalty income included in business income	▶ 28	<div>0.</div>
29 Capital losses not deducted in arriving at business income	▶ 29	<div>0.</div>
30 Income from partnerships included in business income, Account no.	▶ 30	<div>0.</div>
31 Total Subtractions. Add lines 28-30	▶ 31	<div>0.</div>
<b>TAX BASE</b>		
32 Tax Base. Subtract line 31 from line 27	▶ 32	<div>( 54,407. )</div>
33 Apportioned Tax Base. Multiply line 32 by % from form C-8000H, line 16 or 19	▶ 33	<div>0.</div>
Go to page 2		

<b>PAYMENT</b>	
63 What is the amount you entered on page 2, line 59?	PAY THIS AMOUNT ▶ 63 <div>0.</div>

**TAX BASE**

34 What amount did you enter on line 32 or 33 (whichever applies)? 34 ( 54,407.)

**ADJUSTMENTS**

35 Capital acquisition deduction (C-8000D, line 4 or 5, whichever applies) ... 35 387,787.  
 36 Recapture of capital acquisition deduction (from form C-8000D, line 21) . ▶ 36 0.  
 37 Net capital acquisition deduction. Subtract line 36 from line 35 ..... 37 387,787.

NOTE: A negative amount on line 37 will increase your tax base.

38 ADJUSTED TAX BASE BEFORE loss deduction and statutory exemption.  
 Subtract (if negative add) line 37 from line 34 ..... ▶ 38 ( 442,194.)  
 If negative, this is business loss carryforward; do not complete lines 39 through 50.

39 Business loss deduction ..... 39 0.  
 40 Adjusted Tax Base Before Statutory Exemption. Subtract line 39 from line 38 ..... 40 ( 442,194.)

**STATUTORY EXEMPTION Complete and attach the Statutory Exemption Schedule (form C-8043).**

41 Allowable statutory exemption (from form C-8043, line 16) ..... 41  
 42 Adjusted Tax Base. Subtract line 41 from line 40. Check if C-8000G is attached ▶ a ☐ ..... 42

**REDUCTIONS, CREDITS, TAX**

43 Reduction to adjusted tax base, if applicable (see instructions for form C-8000S) ..... 43  
 44 Taxable base. Subtract line 43 from line 42. If you used the gross receipts short-method, enter the amount from form C-8000S, line 14 ..... 44  
 45 Tax Before Credits. Multiply line 44 by 2.3% (.023) ..... ▶ 45

The small business and contribution credits are computed on form C-8000C, SBT Credits. Complete the C-8000C before continuing. If you are not filing a C-8000C, enter the amount from line 45 on line 46.

46 Enter either the amount from form C-8000, line 45 or C-8000C ..... 46  
 47 Unincorporated/S-Corp. Credit. Multiply line 46 by percent from page 14. . 47  
 48 Miscellaneous Credits. See instructions and attach schedule ..... 48  
 49 Add lines 47 and 48 ..... 49  
 50 Tax After All Credits. Subtract line 49 from line 46 ..... ▶ 50

**PAYMENTS AND TAX DUE**

51 Overpayment credited from 1995. .... 51 0.  
 52 Estimated tax payments ..... 52 0.  
 53 Tax paid with request for extension ..... 53 0.  
 54 Workers Disability Supplemental Benefit (WDSB) credit ..... 54 0.  
 55 Total. Add lines 51-54 ..... ▶ 55 0.  
 56 TAX DUE. Subtract line 55 from line 50. If less than zero, leave blank ..... ▶ 56 0.  
 57 Underpaid estimate penalty and interest from form C-8020, line 28 or 38 whichever applies ..... 57 0.  
 58 Annual return penalty at \_\_\_\_\_ % = \_\_\_\_\_ and interest = ..... 58 0.  
 59 Payment Due. Add lines 56 - 58. Enter this amount on page 1, line 63 ..... 59 0.

**YOUR REFUND or OVERPAYMENT**

60 Overpayment. Subtract line 50 from line 55 ..... 60  
 61 How much of the amount on line 60 do you want refunded to you? ..... ▶ 61  
 62 How much of the amount on line 60 do you want credited forward? ..... ▶ 62

**SIGNATURE, DECLARATION AND AUTHORIZATION****TAXPAYER'S DECLARATION**

I declare, under penalty of perjury, that this return is true and correct to the best of my knowledge.

☐ I authorize Treasury to discuss my return with my preparer.

☐ Do not discuss my return with my preparer.

▶ ☒ Check this box if you do not need a book mailed to you.

Taxpayer's Signature

Date

Title

**PREPARER'S DECLARATION**

I declare, under penalty of perjury, that this return is based on all information of which I have any knowledge.

Preparer's Signature

Date

Business Address, Phone and Identification Number

DAIG & DAIG P.C., CPAs  
 G-4067 VanSlyke Rd. PO Box 7607  
 Flint, MI 48507

This return is due April 30, or on or before the last day of the 4th month after the close of your tax year.



Michigan Department of Treasury  
(Rev. 11/96)

Tax Return for SINGLE BUSINESS TAX

**CREDITS for SMALL  
BUSINESSES and OTHER  
CREDITS****C-8000C****1996**This form is filed under authority of P.A. 228 of 1975.  
See instruction booklet for filing guidelines.1 Name  
**NUTECH PLASTICS ENGINEERING, INC.**2 Federal Employer ID No. (FEIN) or TR No.  
**38-3265049****YOUR TAX and CREDIT FOR SMALL BUSINESSES**The standard small business credit and the alternate tax are **NOT** available if any of the following conditions exist:

- 1) Gross Receipts exceed \$10,000,000; or
- 2) Adjusted business income after loss adjustment exceeds:
  - a. \$475,000 for corporations and partnerships
  - b. \$95,000 for an individual; or
- 3) Any shareholder or officer has compensation or allocated income after loss adjustment of over \$95,000, or any partner has distributive share of income after loss adjustment of over \$95,000, as determined on C-8000KC or C-8000KP. (Form C-8000KC or C-8000KP must be attached.)

**NOTE:** Members of controlled groups must attach a copy of their Allocation of Statutory Exemption, Standard Small Business Credit, and Alternate Tax for Members of Controlled Groups (form C-8009).If you are not claiming a small business credit, go to line 28.**PART 1 ADJUSTED BUSINESS INCOME**

3	Business income (from C-8000, line 11)	3	( 310,129 )
4	Capital loss carryover or carryback (from C-8000, line 21)	4	0.
5	Net operating loss carryover or carryback (from C-8000, line 22)	5	0.
6	Subtotal. Add lines 3, 4 and 5	6	( 310,129 )
7	Compensation and director fees of active shareholders (from C-8000KC, line 6)	7	61,865.
8	Compensation and director fees of officers (from C-8000KC, line 7)	8	0.
9	Adjusted business income. Add lines 6, 7, and 8. If less than zero, enter 100% on line 13	9	( 248,264 )

**PART 2 SMALL BUSINESS CREDIT**

10	Tax base (from C-8000, line 32)	10	( 54,407 )
11	Tax base for credit. Multiply line 10 by 45% (.45)	11	( 24,482 )
12	Income percentage. Divide line 9 by line 11 and multiply by 100 to find percentage	12	0.00000 %
13	Credit percentage. Subtract line 12 from 100%. If this is a negative number, (if line 9 exceeds line 11) you are not eligible for this credit	13	100.00000 % (not to exceed 100%)
14	Tax (from C-8000, line 45)	TAX 14	\$ 0.
15	Standard Small Business Credit. Multiply line 13 by line 14	15	0.
16	Alternate tax. Multiply line 9 by 2% (.02)	16	0.
17	Alternate Credit. Subtract line 16 from line 14	17	0.
18	Small business credit. Enter the greater of line 15 or 17	18	0.
19	Tax after small business credit. Subtract line 18 from line 14	19	0.

**PART 3 GROSS RECEIPTS REDUCTION.**

Complete this section if your gross receipts are more than \$9,000,000 but less than \$10,000,000.

20	Gross receipts (from C-8000, line 10). See instructions if your tax year is less than 12 months	20	
21	Excess gross receipts. Subtract \$9,000,000 from line 20	21	
22	Excess percentage. Divide line 21 by \$1,000,000	22	%
23	Allowable percentage. Subtract line 22 from 100%	23	%
24	Tax from line 14 or C-8000, line 45	24	
25	Multiply the percentage on line 23 by the credit on line 18	25	
26	Tax after small business credit. Subtract line 25 from line 24	26	

If you are not claiming contribution credits, enter the amount on line 19 or 26 on your C-8000, line 46.

Complete page 2 only if you are claiming contribution credits.

**PART 4 CONTRIBUTION CREDITS****Complete this section ONLY if you are claiming contribution credits.**

- 27 Enter the amount from line 19 or 26, whichever applies. Affiliated or controlled groups or entities under common control, enter the amount from C-8009, line 33 or 34 ..... 27 \_\_\_\_\_
- 28 If you **did not claim a small business credit**, enter the amount from form C-8000, line 45 ..... 28 \_\_\_\_\_ 0.
- 29 **Community Foundations** donations (see instructions) ..... ▶ 29a \_\_\_\_\_ 0.
- b **Credit.** Enter the smaller of 50% of line 29a, \$5,000, or 5% of your tax on C-8000, line 45 ..... 29b \_\_\_\_\_ 0.
- c Find the code in the C-8000C instructions for the community foundation you contributed to and enter the code here ..... ▶ 29c \_\_\_\_\_
- 30 Subtract line 29b from line 27 or 28 ..... 30 \_\_\_\_\_ 0.
- 31 **Homeless Credit** donations (see instructions) ..... ▶ 31a \_\_\_\_\_ 0.
- b **Credit.** Enter the smaller of 50% of line 31a, \$5,000 or 5% of your tax on C-8000, line 45 ..... 31b \_\_\_\_\_ 0.
- 32 Subtract line 31b from line 30 ..... 32 \_\_\_\_\_ 0.
- 33 **Public Contributions** (see instructions) ..... ▶ 33a \_\_\_\_\_ 26,456.
- b **Credit.** Enter the smaller of 50% of line 33a, \$5,000, or 5% of line 32 ..... 33b \_\_\_\_\_ 0.
- 34 **Public Utility Property Tax** for taxable year (see inst.) ..... ▶ 34a \_\_\_\_\_ 0.
- b **Credit.** Enter 5% of line 34a (cannot exceed tax liability) ..... 34b \_\_\_\_\_ 0.
- 35 Add lines 33b and 34b ..... 35 \_\_\_\_\_ 0.
- 36 **Tax After Credits.** Subtract line 35 from line 32. Enter here and on your C-8000, line 46 ..... 36 \_\_\_\_\_ 0.

This form is filed under authority of P.A. 228 of 1975.  
See instruction booklet for filing guidelines.

[illegible]

## RECAPTURE OF CAPITAL ACQUISITION DEDUCTION

**PART 2:** Sales and other dispositions of depreciable **real property** located in **Michigan** acquired on or after Jan. 1, 1976 and in tax years beginning before Oct. 1, 1989.

6	a Description	b Location	Date c Acquired	Date d Sold	Gross Sales e Price	Gain or f (loss)	
7	Totals for depreciable real property disposed of and located in Michigan .....				7	0	0
8	Adjusted proceeds -- line 7, column e LESS gain, or PLUS* loss on line 7, column f .....					8	0.
If taxable in another state, complete lines 9-12; otherwise, go to Part 3.							
9	Gross proceeds (from line 7, column e) .....					9	
10	Total gains or (losses) (from line 7, column f) .....					10	
11	Apportioned gains or (losses). Multiply line 10 by the percentage from C-8000H, line 16 or line 19, whichever applies .....					11	
12	Adjusted proceeds -- line 9 LESS gain, or PLUS a loss on line 11 .....					12	

**PART 3:** Sales and other dispositions of depreciable **personal property** acquired on or after Jan. 1, 1976 and in tax years beginning before Oct. 1, 1989.

13	a Description	b Location	Date c Acquired	Date d Sold	Gross Sales e Price	Gain or f (loss)	
14	Totals for depreciable personal property .....				14	0	0
15	Adjusted proceeds -- line 14, column e LESS gain, or PLUS* loss on line 14, column f .....					15	0.
If taxable in another state, complete line 16.							
16	Apportioned adjusted proceeds. Multiply line 15 by the percentage from C-8000H, line 23 .....					16	

**PART 4:** Sales and other dispositions of all depreciable **real and tangible personal property** acquired in tax years beginning after Sept. 30, 1989.

17	a Description	b Location	Date c Acquired	Date d Sold	Gross Sales e Price	Gain or f (loss)	
18	Totals for all depreciable real and tangible personal property .....				18	0	0
19	Adjusted proceeds -- line 18, column e LESS gain, or PLUS* loss on line 18, column f .....					19	0.
If taxable in another state, complete line 20.							
20	Apportioned adjusted proceeds. Multiply line 19 by the percentage from C-8000H, line 16 or 19 (whichever applies) .....					20	

**PART 5: Total Recapture**

21	Total Recapture of Capital Acquisition Deduction. Add lines 8, 15 and 19 OR lines 12, 16 and 20, whichever applies. Enter here and on C-8000 line 36 or C-8044 line 9 .....					21	0.
----	---	--	--	--	--	----	----

\*A loss on Line 7, 14 or 18 column f will increase the recapture.

# SCHEDULE OF SHAREHOLDERS AND OFFICERS

**C-8000KC**  
**1996**

For all corporations claiming statutory exemption or small business credit.  
This form is filed under authority of P.A. 228 of 1975. See instruction booklet for filing guidelines.

1 Name <b>NUTECH PLASTICS ENGINEERING, INC.</b>	2 Federal Employer ID No. (FEIN) or TR No. <b>38-3265049</b>
--	---

**PART 1 SHAREHOLDERS AND OFFICERS - See instruction booklet.**

3A Shareholder (including corporation and trust) or officer name (Last, First, Initial)	B Social Security Number	C if officer, check here	D %Time	E % Stock	F % Stock with attribution	G % Stock with attrib. from/to non-active shareholders
a JOHN W. MAILEY	381-44-6408	X	100.00	51.00	51.00	51.00 a
b JOHN G. COOPER	376-42-0636	X	100.00	48.50	48.50	48.50 b
c						c
d						d
e						e
f						f
g						g
h						h

▶ % stock (not listed above) owned by shareholders who own less than 20% and receive no compensation. **0.50%**

Continue below using same a through h references. **Total 100%**

H Dividends (used to determine active shareholders)	I Salaries, wages and/or director fees	J Employee insurance plans, pensions, etc.	K Total compensation and director fees for officers and/or shareholders (add columns I & J)	L Share of business income/loss (C-8000C, line 6 x column G)	M Total shareholder/officer income (add columns K & L)
a 0	56,250	5,615	61,865	( 158,166)	( 96,301) a
b 0	0	0	0	( 150,413)	( 150,413) b
c					c
d					d
e					e
f					f
g					g
h					h

If you need more space attach additional C-8000KC forms. Identify each additional form and complete Part 1.

**PART 2 STATUTORY EXEMPTION - See definition of qualified shareholder in the instruction booklet.**

4 Qualified shareholders. Add the number of qualified shareholders from Part 1. Enter here, and on C-8043, line 8a	4 <b>0</b>
5 Compensation and director fees of ALL shareholders. Add amounts in column K for each shareholder showing ownership in column E. Enter here, on C-8043, line 5	5 <b>61,865</b>

**PART 3 SMALL BUSINESS CREDIT - See definition of active shareholder in the instruction booklet.**

6 Compensation and director fees of active shareholders. Add amounts in column K for each active shareholder. Enter here and on C-8000C, line 7 or C-8044, line 12	6 <b>61,865</b>
7 Compensation and director fees of officers. Add amounts in column K for each officer who is not an active shareholder. Enter here and on C-8000C, line 8 or C-8044, line 12	7 <b>0</b>

CLIENT'S COPY

**REDUCTIONS TO ADJUSTED TAX BASE**

**C-8000S  
1996**

This form is filed under authority of P.A. 228 of 1975.  
See instruction booklet for filing guidelines.

<b>1 Name</b> NUTECH PLASTICS ENGINEERING, INC.	<b>2 Federal Employer ID No. (FEIN) or TR No.</b> 38-3265049
--	---

**NOTE: Carry all percentages to at least six decimal places.**  
**Short-Method filers complete lines 9 - 14 only.**

**PART 1 - COMPENSATION REDUCTION**

3 Compensation (from C-8000, line 16) .....	3	198,417.
4 Tax base (from C-8000, line 32) .....	4	( 54,407.)
5 Divide line 3 by line 4 (maximum 100%) .....	5	100.00000 %
If line 5 is less than 63%, you cannot use this reduction.		
		63 %
6 Subtract 63% from line 5 (maximum 37%) .....	6	0.00000 %
7 Adjusted tax base (from C-8000, line 42) .....	7	0.
8 <b>Reduction to adjusted tax base.</b> Multiply line 6 by line 7. Complete Part 2, then use the method to your advantage .....	8	0.

**PART 2 - GROSS RECEIPTS REDUCTION (Short-Method filers complete lines 9 - 14 only.)**

9 Gross receipts (from C-8000, line 10) .....	9	6,321,801.
If taxable in another state, complete lines 10 and 11.		
10 Enter percentage from C-8000H, line 16 or 19, whichever applies .....	10	%
11 Apportioned gross receipts. Multiply line 9 by line 10 .....	11	
12 Recapture of capital acquisition deduction (from C-8000D, line 21) .....	12	0.
13 Adjusted gross receipts. Add lines 9 or 11, whichever applies, and line 12 .....	13	6,321,801.
14 <b>Gross receipts limitation.</b> Multiply line 13 by 50% .....	14	3,160,901.
Short-Method filers enter here and on C-8000, line 44.		
Complete lines 15 and 16 only after you have completed Parts 1 and 2		
15 <b>Reduction to adjusted tax base.</b> Subtract line 14 from line 7, then complete Part 3. If line 15 is less than zero, you cannot use the gross receipts reduction .....	15	0.

**PART 3 - SUMMARY**

16 Compare lines 8 and 15. Enter the greater amount here and on your C-8000, line 43 .....	16	0.
---	----	----

For calendar year 1997, or tax year beginning		1997, ending		19	
A Date of Election as an S Corporation 12/05/95	Use IRS label. Otherwise please print or type.	Name NUTECH PLASTICS ENGINEERING, INC.		C Employer Identification Number 38-3265049	
B Business Code No. (see Specific Instructions) 3070		Number, Street, and Room or Suite No. (If a P.O. box, see instructions) 8018 EMBURY RD.		D Date Incorporated 10/26/95	
		City or Town State ZIP Code GRAND BLANC MI 48439		E Total Assets (see Specific Instructions) \$ 4,297,480.	
F Check applicable boxes: (1) <input type="checkbox"/> Initial return (2) <input type="checkbox"/> Final return (3) <input type="checkbox"/> Change in address (4) <input type="checkbox"/> Amended return					
G Enter number of shareholders in the corporation at end of the tax year. 3					

Caution: Include only trade or business income and expenses on lines 1a through 21. See the instructions for more information.

I N C O M E	1 a Gross receipts or sales	11,454,764.	b Less returns and allowances		c Bal	1 c	11,454,764.
	2 Cost of goods sold (Schedule A, line 8)					2	10,656,558.
	3 Gross profit. Subtract line 2 from line 1c					3	798,206.
	4 Net gain (loss) from Form 4797, Part II, line 18 (attach Form 4797)					4	
	5 Other income (loss) (attach schedule)					5	
	6 Total income (loss). Combine lines 3 through 5					6	798,206.
D E D U C T I O N S	7 Compensation of officers					7	
	8 Salaries and wages (less employment credits)					8	444,883.
	9 Repairs and maintenance					9	3,979.
	10 Bad debts					10	
	11 Rents					11	177,159.
	12 Taxes and licenses					12	57,124.
	13 Interest					13	95,423.
	14 a Depreciation (if required, attach Form 4562)	14 a	86,374.				
	b Depreciation claimed on Schedule A and elsewhere on return	14 b					
	c Subtract line 14b from line 14a					14 c	86,374.
	15 Depletion (Do not deduct oil and gas depletion.)					15	
	16 Advertising					16	1,350.
	17 Pension, profit-sharing, etc, plans					17	
	18 Employee benefit programs					18	
	19 Other deductions (attach schedule) See Other Deductions					19	619,452.
20 Total deductions. Add the amounts shown in the far right column for lines 7 through 19					20	1,485,744.	
21 Ordinary income (loss) from trade or business activities. Subtract line 20 from line 6					21	-687,538.	
T A X  A N D  P A Y M E N T S	22 Tax: a Excess net passive income tax (att schedule)	22 a					
	b Tax from Schedule D (Form 1120S)	22 b					
	c Add lines 22a and 22b (see instructions for additional taxes)					22 c	
	23 Payments: a 1997 estimated tax payments and amount applied from 1996 return	23 a					
	b Tax deposited with Form 7004	23 b					
	c Credit for federal tax paid on fuels (attach Form 4136)	23 c					
	d Add lines 23a through 23c					23 d	
24 Estimated tax penalty. Check if Form 2220 is attached					24		
25 Tax due. If the total of lines 22c & 24 is larger than line 23d, enter amount owed. See instrs for depository method of payment					25		
26 Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid					26		
27 Enter amount of line 26 you want: Credited to 1998 estimated tax				Refunded	27		

Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.			
	Signature of Officer	Date	Title	
Paid Preparer's Use Only	Preparer's Signature	Date	Check if self-employed	Preparer's Social Security Number
	Firm's Name (or yours if self-employed) and Address	DAIG & DAIG, P.C., C.P.A.s	06/09/98	362-50-2624
		G-4067 VAN SLYKE RD.	EIN	38-2121869
		FLINT MI	ZIP Code	48507

Form 1120S (1997) NUTECH PLASTICS ENGINEERING, INC.

38-3265049

Page 2

**Schedule A** Cost of Goods Sold (see instructions)

1	Inventory at beginning of year	1	28,056.
2	Purchases	2	10,899,682.
3	Cost of labor	3	
4	Additional section 263A costs (attach schedule)	4	
5	Other costs (attach schedule) ... FREIGHT	5	8,082.
6	<b>Total.</b> Add lines 1 through 5.	6	10,935,820.
7	Inventory at end of year	7	279,262.
8	<b>Cost of goods sold.</b> Subtract line 7 from line 6. Enter here and on page 1, line 2.	8	10,656,558.

9a Check all methods used for valuing closing inventory:

- (i) ☒ Cost as described in Regulations section 1.471-3  
(ii) ☐ Lower of cost or market as described in Regulations section 1.471-4  
(iii) ☐ Other (specify method used and attach explanation) ▶

b Check if there was a writedown of 'subnormal' goods as described in Regulations section 1.471-2(c) ▶ ☐

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ▶ ☐

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO 9d

e Do the rules of section 263A (for property produced or acquired for resale) apply to the corporation? ☒ Yes ☐ No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If 'Yes,' attach explanation ☐ Yes ☒ No

**Schedule B** Other Information

	Yes	No
1 Check method of accounting: (a) <input type="checkbox"/> Cash (b) <input checked="" type="checkbox"/> Accrual (c) <input type="checkbox"/> Other (specify) ▶		
2 Refer to the list in the instructions and state the corporation's principal: (a) Business activity ▶ MANUFACTURING (b) Product or service ▶ PLASTICS		
3 Did the corporation at the end of the tax year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) If 'Yes,' attach a schedule showing: (a) name, address, and employer identification number and (b) percentage owned		X
4 Was the corporation a member of a controlled group subject to the provisions of section 1561?		X
5 At any time during calendar year 1997, did the corporation have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? (See the instructions for exceptions and filing requirements for Form TD F 90-22.1.) If 'Yes,' enter the name of the foreign country ▶		X
6 During the tax year, did the corporation receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If 'Yes,' the corporation may have to file Form 3520 or 926. See instructions.		X
7 Check this box if the corporation has filed or is required to file Form 8264, Application for Registration of a Tax Shelter. ▶ <input type="checkbox"/>		
8 Check this box if the corporation issued publicly offered debt instruments with original issue discount. If so, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instructions. ▶ <input type="checkbox"/>		
9 If the corporation: (a) filed its election to be an S corporation after 1986, (b) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to its basis (or the basis of any other property) in the hands of a C corporation, and (c) has net unrealized built-in gain (defined in section 1374(d)(1)) in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years (see instructions). ▶ \$		
10 Check this box if the corporation had accumulated earnings and profits at the close of the tax year (see instructions) ▶ <input type="checkbox"/>		



**Schedule K Shareholders' Shares of Income, Credits, Deductions, etc**

	(a) Pro rata share items	(b) Total amount
<b>Income (Loss)</b>	1 Ordinary income (loss) from trade or business activities (page 1, line 21).....	1 -687,538.
	2 Net income (loss) from rental real estate activities (attach Form 8825).....	2
	3a Gross income from other rental activities..... 3a	
	b Expenses from other rental activities (attach schedule)..... 3b	
	c Net income (loss) from other rental activities. Subtract line 3b from line 3a.....	3c
	4 Portfolio income (loss):	
	a Interest income.....	4a 18,386.
	b Dividend income.....	4b
	c Royalty income.....	4c
	d Net short-term capital gain (loss) (attach Schedule D (Form 1120S)).....	4d
	e Net long-term capital gain (loss) (attach Schedule D (Form 1120S)):	
	(1) 28% rate gain (loss)..... (2) Total for year.....	4e (2)
	f Other portfolio income (loss) (attach schedule).....	4f
5 Net section 1231 gain (loss) (other than due to casualty or theft) (attach Form 4797):		
a 28% rate gain (loss)..... b Total for year.....	5b	
6 Other income (loss) (attach schedule).....	6	
<b>Deductions</b>	7 Charitable contributions (attach schedule).....	7
	8 Section 179 expense deduction (attach Form 4562).....	8
	9 Deductions related to portfolio income (loss) (itemize).....	9
	10 Other deductions (attach schedule).....	10
<b>Investment Interest</b>	11a Interest expense on investment debts.....	11a
	b (1) Investment income included on lines 4a, 4b, 4c, and 4f above.....	11b (1) 18,386.
	(2) Investment expenses included on line 9 above.....	11b (2)
<b>Credits</b>	12a Credit for alcohol used as a fuel (attach Form 6478).....	12a
	b Low-income housing credit:	
	(1) From partnerships to which section 42(j)(5) applies for property placed in service before 1990.....	12b (1)
	(2) Other than on line 12b(1) for property placed in service before 1990.....	12b (2)
	(3) From partnerships to which section 42(j)(5) applies for property placed in service after 1989.....	12b (3)
	(4) Other than on line 12b(3) for property placed in service after 1989.....	12b (4)
	c Qualified rehabilitation expenditures related to rental real estate activities (attach Form 3468).....	12c
	d Credits (other than credits shown on lines 12b and 12c) related to rental real estate activities.....	12d
	e Credits related to other rental activities.....	12e
	13 Other credits.....	13
<b>Adjustments and Tax Preference Items</b>	14a Depreciation adjustment on property placed in service after 1986.....	14a
	b Adjusted gain or loss.....	14b
	c Depletion (other than oil and gas).....	14c
	d (1) Gross income from oil, gas, or geothermal properties.....	14d (1)
	(2) Deductions allocable to oil, gas, or geothermal properties.....	14d (2)
	e Other adjustments and tax preference items (attach schedule).....	14e
<b>Foreign Taxes</b>	15a Type of income.....	
	b Name of foreign country or U.S. possession.....	
	c Total gross income from sources outside the United States (attach schedule).....	15c
	d Total applicable deductions and losses (attach schedule).....	15d
	e Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued.....	15e
	f Reduction in taxes available for credit (attach schedule).....	15f
	g Other foreign tax information (attach schedule).....	15g
<b>Other</b>	16 Section 59(e)(2) expenditures: a Type..... b Amount.....	16b
	17 Tax-exempt interest income.....	17
	18 Other tax-exempt income.....	18
	19 Nondeductible expenses.....	19 12,631.
	20 Total property distributions (including cash) other than dividends reported on line 22 below.....	20
	21 Other items and amounts required to be reported separately to shareholders (attach schedule).....	
	22 Total dividend distributions paid from accumulated earnings and profits.....	22
	23 <b>Income (loss).</b> (Required only if Schedule M-1 must be completed.) Combine lines 1 through 6 in column (b). From the result, subtract the sum of lines 7 through 11a, 15e, and 16b.....	23 -669,152.

Form 1120S (1997) NUTECH PLASTICS ENGINEERING, INC.

38-3265049

Page 4

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1	Cash .....		204,474.		90,144.
2a	Trade notes and accounts receivable .....	1,393,828.		2,902,288.	
b	Less allowance for bad debts .....		1,393,828.		2,902,288.
3	Inventories .....		28,056.		279,262.
4	U.S. government obligations .....				
5	Tax-exempt securities .....				
6	Other current assets (attach schedule) Ln. 6. St. ....		28,048.		2,602.
7	Loans to shareholders .....				
8	Mortgage and real estate loans .....				
9	Other investments (attach schedule) .....				
10a	Buildings and other depreciable assets .....	387,738.		1,120,721.	
b	Less accumulated depreciation .....	26,457.	361,281.	112,908.	1,007,813.
11a	Depletable assets .....				
b	Less accumulated depletion .....				
12	Land (net of any amortization) .....				
13a	Intangible assets (amortizable only) .....	23,014.		23,014.	
b	Less accumulated amortization .....	3,040.	19,974.	7,643.	15,371.
14	Other assets (attach schedule) .....				
15	Total assets .....		2,035,661.		4,297,480.
Liabilities and Shareholders' Equity					
16	Accounts payable .....		1,802,352.		3,657,831.
17	Mortgages, notes, bonds payable in less than 1 year .....				
18	Other current liabilities (attach sch) Ln. 18. St. ....		5,801.		384,054.
19	Loans from shareholders .....		443,768.		851,775.
20	Mortgages, notes, bonds payable in 1 year or more .....				301,940.
21	Other liabilities (attach schedule) .....				
22	Capital stock .....		100,000.		100,000.
23	Additional paid-in capital .....				
24	Retained earnings .....		-316,260.		-998,120.
25	Adjustments to shareholders' equity (attach schedule) ..				
26	Less cost of treasury stock .....				
27	Total liabilities and shareholders' equity .....		2,035,661.		4,297,480.

**Schedule M-1 Reconciliation of Income (Loss) per Books with Income (Loss) per Return** (You are not required to complete this schedule if the total assets on line 15, column (d), of Schedule L are less than \$25,000.)

1	Net income (loss) per books .....	-681,860.	5	Income recorded on books this year not included on Schedule K, lines 1 through 6 (itemize):	
2	Income included on Sch K, lines 1 through 6, not recorded on books this year (itemize):		a	Tax-exempt interest \$ .....	
3	Expenses recorded on books this year not included on Schedule K, lines 1 through 11a, 15e, and 16b (itemize):		6	Deductions included on Schedule K, lines 1 through 11a, 15e, and 16b, not charged against book income this year (itemize):	
a	Depreciation ..... \$ .....	77.	a	Depreciation .... \$ .....	
b	Travel and entertainment ..... \$ .....	12,217.	7	Add lines 5 and 6 .....	
See Sch M-1, Line 3	414.	12,708.	8	Income (loss) (Schedule K, Ln 23). Ln 4 less Ln 7 .....	-669,152.
4	Add lines 1 through 3 .....	-669,152.			

**Schedule M-2 Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed** (see instructions)

	(a) Accumulated adjustments account	(b) Other adjustments account	(c) Shareholders' undistributed taxable income previously taxed
1	Balance at beginning of tax year .....	-316,260.	
2	Ordinary income from page 1, line 21 .....		
3	Other additions INTEREST INCOME .....	18,386.	
4	Loss from page 1, line 21 .....	687,538.	
5	Other reductions See Schedule M-2, Other Reductions .....	12,631.	
6	Combine lines 1 through 5 .....	-998,043.	
7	Distributions other than dividend distributions .....		
8	Balance at end of tax year. Subtract line 7 from line 6 .....	-998,043.	

Form **4562**

Depreciation and amortization of 67

OMB No. 1545-0172

(Including Information on Listed Property)

▶ See instructions.

▶ Attach this form to your return.

**1997****67**Department of the Treasury  
Internal Revenue Service (99)

Name(s) Shown on Return

NUTECH PLASTICS ENGINEERING, INC.

Business or Activity to Which This Form Relates

Form 1120S Line 21

Identifying Number

38-3265049

**Part I Election to Expense Certain Tangible Property (Section 179)**

(Note: If you have any 'listed property,' complete Part V before you complete Part I.)

1	Maximum dollar limitation. If an enterprise zone business, see instructions.	1	\$18,000.
2	Total cost of section 179 property placed in service. See instructions.	2	
3	Threshold cost of section 179 property before reduction in limitation.	3	\$200,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-.	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions.	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter amount from line 27.	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7.	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8.	9	
10	Carryover of disallowed deduction from 1996. See instructions.	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instrs.).	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11.	12	
13	Carryover of disallowed deduction to 1998. Add lines 9 and 10, less line 12.	13	

**Note:** Do not use Part II or Part III below for listed property (automobiles, certain other vehicles, cellular telephones, certain computers, or property used for entertainment, recreation, or amusement). Instead, use Part V for listed property.

**Part II MACRS Depreciation for Assets Placed in Service Only During Your 1997 Tax Year**  
(Do Not Include Listed Property)**Section A - General Asset Account Election**

- 14 If you are making the election under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check this box. See instructions. ☐

**Section B - General Depreciation System (GDS) (See instructions)**

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
15a 3-year property						
b 5-year property		6,886.	5.00	HY	200DB	1,378.
c 7-year property		227,646.	7.00	HY	200DB	32,521.
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27.5 yrs	MM	S/L	
			27.5 yrs	MM	S/L	
i Nonresidential real property	07/01/97	322,957.	39 yrs	MM	S/L	3,795.
	07/01/97	175,445.	39.0	MM	S/L	2,062.

**Section C - Alternative Depreciation System (ADS) (See instructions)**

16a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

**Part III Other Depreciation (Do Not Include Listed Property) (See instructions)**

17 GDS and ADS deductions for assets placed in service in tax years beginning before 1997.	17	46,618.
18 Property subject to section 168(f)(1) election.	18	
19 ACRS and other depreciation.	19	

**Part IV Summary (See instructions)**

20 Listed property. Enter amount from line 26.	20	
21 Total. Add deductions on line 12, lines 15 and 16 in column (g), and lines 17 through 20. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions.	21	86,374.
22 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs.	22	

**Part V Listed Property — Automobiles, Certain Other Vehicles, Cellular Telephones, Certain Computers, and Property Used for Entertainment, Recreation, or Amusement**

**Note:** For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 23a, 23b, \* columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

**Section A — Depreciation and Other Information (Caution: See instructions for limits for passenger automobiles.)**

23a Do you have evidence to support the business/investment use claimed? .....					Yes	No	23b If 'Yes,' is the evidence written? .....					Yes	No
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost					
24 Property used more than 50% in a qualified business use (see instructions):													
25 Property used 50% or less in a qualified business use (see instructions):													
26 Add amounts in column (h). Enter the total here and on line 20, page 1 .....							26						
27 Add amounts in column (i). Enter the total here and on line 7, page 1 .....							27						

**Section B — Information On Use of Vehicles**

Complete this section for vehicles used by a sole proprietor, partner, or other 'more than 5% owner,' or related person.

If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
28 Total business/investment miles driven during the year (Do not include commuting miles) .....												
29 Total commuting miles driven during the year .....												
30 Total other personal (noncommuting) miles driven .....												
31 Total miles driven during the year. Add lines 28 through 30 .....												
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
32 Was the vehicle available for personal use during off-duty hours? .....												
33 Was the vehicle used primarily by a more than 5% owner or related person? .....												
34 Is another vehicle available for personal use? .....												

**Section C — Questions for Employers Who Provide Vehicles for Use by Their Employees**

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

	Yes	No
35 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees? .....		
36 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See instructions for vehicles used by corporate officers, directors, or 1% or more owners .....		
37 Do you treat all use of vehicles by employees as personal use? .....		
38 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received? .....		
39 Do you meet the requirements concerning qualified automobile demonstration use? See instructions. ....		

**Note:** If your answer to 35, 36, 37, 38, or 39 is 'Yes,' you need not complete Section B for the covered vehicles.

**Part VI Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code Section	(e) Amortization period or percentage	(f) Amortization for this year
40 Amortization of costs that begins during your 1997 tax year: .....					
41 Amortization of costs that began before 1997 .....				41	4,603.
42 Total. Enter here and on 'Other Deductions' or 'Other Expenses' line of your return. ....				42	4,603.

Department of the Treasury  
Internal Revenue Service

For calendar year 1997 or tax year

1997

beginning , 1997, and ending , 19

Shareholder's identifying number ▶ 381-44-6408

Corporation's identifying number ▶ 38-3265049

Shareholder's Name, Address, and ZIP Code

Corporation's Name, Address, and ZIP Code

JOHN W. MAILEY  
5028 MCCLANDISH RD.  
GRAND BLANC, MI 48439

NUTECH PLASTICS ENGINEERING, INC.  
8018 EMBURY RD.  
GRAND BLANC, MI 48439

- A Shareholder's percentage of stock ownership for tax year (see instructions for Schedule K-1) ..... ▶ 51.00000 %
- B Internal Revenue Service Center where corporation filed its return ..... ▶ Cincinnati, OH 45999-0013
- C Tax shelter registration number (see instructions for Schedule K-1) ..... ▶
- D Check applicable boxes: (1) ☐ Final K-1 (2) ☐ Amended K-1

(a) Pro rata share items			(b) Amount	(c) Form 1040 filers enter the amount in col (b) on:
Income (Loss)	1 Ordinary income (loss) from trade or business activities	1	-350,644.	See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	2 Net income (loss) from rental real estate activities	2		
	3 Net income (loss) from other rental activities	3		
	4 Portfolio income (loss):			Schedule B, Part I, line 1 Schedule B, Part II, line 5 Schedule E, Part I, line 4 Schedule D, line 5, col (f)
	a Interest	4a	9,377.	
	b Dividends	4b		
	c Royalties	4c		
	d Net short-term capital gain (loss)	4d		
	e Net long-term capital gain (loss)			
	(1) 28% rate gain (loss)	e(1)		Schedule D, line 12, col (g)
	(2) Total for year	e(2)		Schedule D, line 12, col (f)
	f Other portfolio income (loss) (attach schedule)	4f		(Enter on applicable line of return.)
Deductions	5 Net section 1231 gain (loss) (other than due to casualty or theft)			See Shareholder's Instructions for Schedule K-1 (Form 1120S)
	a 28% rate gain (loss)	5a		
	b Total for year	5b		
	6 Other income (loss) (attach schedule)	6		(Enter on applicable line of return.)
Investment Interest	7 Charitable contributions (attach schedule)	7		Schedule A, line 15 or 16
	8 Section 179 expense deduction	8		See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	9 Deductions related to portfolio income (loss) (attach schedule)	9		
	10 Other deductions (attach schedule)	10		
Credits	11a Interest expense on investment debts	11a		Form 4952, line 1 See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	b (1) Investment income included on lines 4a, 4b, 4c, and 4f above	b(1)	9,377.	
	(2) Investment expenses included on line 9 above	b(2)		
	12a Credit for alcohol used as fuel	12a		Form 6478, line 10
	b Low-income housing credit:			Form 8586, line 5
	(1) From section 42(j)(5) partnerships for property placed in service before 1990	b(1)		
	(2) Other than on line 12b(1) for property placed in service before 1990	b(2)		
	(3) From section 42(j)(5) partnerships for property placed in service after 1989	b(3)		
	(4) Other than on line 12b(3) for property placed in service after 1989	b(4)		
	c Qualified rehabilitation expenditures related to rental real estate activities	12c		See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	d Credits (other than credits shown on lines 12b and 12c) related to rental real estate activities	12d		
	e Credits related to other rental activities	12e		
	13 Other credits	13		

BAA For Paperwork Reduction Act Notice, see the instructions for Form 1120S.

Schedule K-1 (Form 1120S) 1997

(a) Pro rata share items		(b) Amount	(c) Form 1040 filers enter the amount in column (b) on:	
Adjustments and Tax Preference Items	14a Depreciation adjustment on property placed in service after 1986. ....	14a	See Shareholder's Instructions for Schedule K-1 (Form 1120S) and Instructions for Form 6251	
	b Adjusted gain or loss. ....	14b		
	c Depletion (other than oil and gas). ....	14c		
	d (1) Gross income from oil, gas, or geothermal properties. ....	d(1)		
	(2) Deductions allocable to oil, gas, or geothermal properties. ....	d(2)		
	e Other adjustments and tax preference items (attach schedule). ....	14e		
Foreign Taxes	15a Type of income ▶ _____		Form 1116, Check boxes	
	b Name of foreign country or U.S. possession ▶ _____			
	c Total gross income from sources outside the United States (attach schedule). ....	15c	Form 1116, Part I	
	d Total applicable deductions and losses (attach schedule). ....	15d		
	e Total foreign taxes (check one): ▶ <input type="checkbox"/> Paid <input type="checkbox"/> Accrued. ....	15e	Form 1116, Part II	
	f Reduction in taxes available for credit (attach schedule). ....	15f	Form 1116, Part III	
	g Other foreign tax information (attach schedule). ....	15g	See Instructions for Form 1116	
Other	16 Section 59(e)(2) expenditures: a Type ▶ _____		See Shareholder's Instructions for Schedule K-1 (Form 1120S).	
	b Amount. ....	16b		
	17 Tax-exempt interest income. ....	17	Form 1040, line 8b	
	18 Other tax-exempt income. ....	18		
	19 Nondeductible expenses. ....	19	6,442.	See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	20 Property distributions (including cash) other than dividend distributions reported to you on Form 1099-DIV. ....	20		
	21 Amount of loan repayments for "Loans from Shareholders". ....	21		
	22 Recapture of low-income housing credit:			
a From section 42(j)(5) partnerships. ....	22a		Form 8611, line 8	
b Other than on line 22a. ....	22b			
23 Supplemental information required to be reported separately to each shareholder (attach additional schedules if more space is needed):				
Supplemental Information				

Shareholder's Share of Income, Credits, Deductions, etc

See separate instructions.

For calendar year 1997 or tax year

1997

Department of the Treasury  
Internal Revenue Service

beginning , 1997, and ending , 19

Shareholder's identifying number ▶ 376-42-0636

Corporation's identifying number ▶ 38-3265049

Shareholder's Name, Address, and ZIP Code

Corporation's Name, Address, and ZIP Code

JOHN G. COOPER  
7247 MCCLANDISH RD.  
GRAND BLANC, MI 48439

NUTECH PLASTICS ENGINEERING, INC.  
8018 EMBURY RD.  
GRAND BLANC, MI 48439

- A Shareholder's percentage of stock ownership for tax year (see instructions for Schedule K-1) ..... ▶ 48.50000 %  
B Internal Revenue Service Center where corporation filed its return ..... ▶ Cincinnati, OH 45999-0013  
C Tax shelter registration number (see instructions for Schedule K-1) .....  
D Check applicable boxes: (1) ☐ Final K-1 (2) ☐ Amended K-1

(a) Pro rata share items		(b) Amount	(c) Form 1040 filers enter the amount in col (b) on:
Income (Loss)	1 Ordinary income (loss) from trade or business activities	1 -333,456.	See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	2 Net income (loss) from rental real estate activities	2	
	3 Net income (loss) from other rental activities	3	
	4 Portfolio income (loss):		
	a Interest	4a 8,917.	Schedule B, Part I, line 1 Schedule B, Part II, line 5 Schedule E, Part I, line 4 Schedule D, line 5, col (f)
	b Dividends	4b	
	c Royalties	4c	
	d Net short-term capital gain (loss)	4d	
	e Net long-term capital gain (loss)		Schedule D, line 12, col (g) Schedule D, line 12, col (f) (Enter on applicable line of return.)
	(1) 28% rate gain (loss)	e(1)	
(2) Total for year	e(2)		
f Other portfolio income (loss) (attach schedule)	4f		
5 Net section 1231 gain (loss) (other than due to casualty or theft)		See Shareholder's Instructions for Schedule K-1 (Form 1120S)	
a 28% rate gain (loss)	5a		
b Total for year	5b	(Enter on applicable line of return.)	
6 Other income (loss) (attach schedule)	6		
Deductions	7 Charitable contributions (attach schedule)	7	Schedule A, line 15 or 16
	8 Section 179 expense deduction	8	See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	9 Deductions related to portfolio income (loss) (attach schedule)	9	
	10 Other deductions (attach schedule)	10	
Investment Interest	11a Interest expense on investment debts	11a	Form 4952, line 1 See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	b(1) Investment income included on lines 4a, 4b, 4c, and 4f above	b(1) 8,917.	
	(2) Investment expenses included on line 9 above	b(2)	
Credits	12a Credit for alcohol used as fuel	12a	Form 6478, line 10
	b Low-income housing credit:		Form 8586, line 5
	(1) From section 42(j)(5) partnerships for property placed in service before 1990	b(1)	
	(2) Other than on line 12b(1) for property placed in service before 1990	b(2)	
	(3) From section 42(j)(5) partnerships for property placed in service after 1989	b(3)	
	(4) Other than on line 12b(3) for property placed in service after 1989	b(4)	See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	c Qualified rehabilitation expenditures related to rental real estate activities	12c	
	d Credits (other than credits shown on lines 12b and 12c) related to rental real estate activities	12d	
	e Credits related to other rental activities	12e	
	13 Other credits	13	

(a) Pro rata share items		(b) Amount	(c) Form 1040 filers enter the amount in column (b) on:
Adjustments and Tax Preference Items	14a Depreciation adjustment on property placed in service after 1986.....	14a	See Shareholder's Instructions for Schedule K-1 (Form 1120S) and Instructions for Form 6251
	b Adjusted gain or loss.....	14b	
	c Depletion (other than oil and gas).....	14c	
	d (1) Gross income from oil, gas, or geothermal properties.....	d(1)	
	(2) Deductions allocable to oil, gas, or geothermal properties.....	d(2)	
	e Other adjustments and tax preference items (attach schedule).....	14e	
Foreign Taxes	15a Type of income ▶		Form 1116, Check boxes
	b Name of foreign country or U.S. possession ▶		
	c Total gross income from sources outside the United States (attach schedule).....	15c	Form 1116, Part I
	d Total applicable deductions and losses (attach schedule).....	15d	
	e Total foreign taxes (check one): ▶ <input type="checkbox"/> Paid <input type="checkbox"/> Accrued.....	15e	Form 1116, Part II
	f Reduction in taxes available for credit (attach schedule).....	15f	Form 1116, Part III
	g Other foreign tax information (attach schedule).....	15g	See Instructions for Form 1116
Other	16 Section 59(e)(2) expenditures: a Type ▶		See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	b Amount.....	16b	Form 1040, line 8b
	17 Tax-exempt interest income.....	17	
	18 Other tax-exempt income.....	18	
	19 Nondeductible expenses.....	19	6,126.
	20 Property distributions (including cash) other than dividend distributions reported to you on Form 1099-DIV.....	20	
	21 Amount of loan repayments for 'Loans from Shareholders'.....	21	
	22 Recapture of low-income housing credit: a From section 42(j)(5) partnerships.....	22a	
b Other than on line 22a.....	22b	Form 8611, line 8	
23 Supplemental information required to be reported separately to each shareholder (attach additional schedules if more space is needed):			
Supplemental Information			



1997

Department of the Treasury  
 Internal Revenue Service

For calendar year 1997 or tax year

beginning , 1997, and ending , 19

Shareholder's identifying number ▶ 377-36-8424

Corporation's identifying number ▶ 38-3265049

Shareholder's Name, Address, and ZIP Code

Corporation's Name, Address, and ZIP Code

F. B. JONES  
 8018 EMBURY RD.  
 GRAND BLANC, MI 48439

NUTECH PLASTICS ENGINEERING, INC.  
 8018 EMBURY RD.  
 GRAND BLANC, MI 48439

- A Shareholder's percentage of stock ownership for tax year (see instructions for Schedule K-1) ▶ 0.50000 %  
 B Internal Revenue Service Center where corporation filed its return ▶ Cincinnati, OH 45999-0013  
 C Tax shelter registration number (see instructions for Schedule K-1) ▶  
 D Check applicable boxes: (1) ☐ Final K-1 (2) ☐ Amended K-1

(a) Pro rata share items		(b) Amount	(c) Form 1040 filers enter the amount in col (b) on:
Income (Loss)	1 Ordinary income (loss) from trade or business activities	1 -3,438.	See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	2 Net income (loss) from rental real estate activities	2	
	3 Net income (loss) from other rental activities	3	
	4 Portfolio income (loss):		
	a Interest	4a 92.	Schedule B, Part I, line 1
	b Dividends	4b	Schedule B, Part II, line 5
	c Royalties	4c	Schedule E, Part I, line 4
	d Net short-term capital gain (loss)	4d	Schedule D, line 5, col (f)
	e Net long-term capital gain (loss)		
	(1) 28% rate gain (loss)	e(1)	Schedule D, line 12, col (g)
(2) Total for year	e(2)	Schedule D, line 12, col (f)	
f Other portfolio income (loss) (attach schedule)	4f	(Enter on applicable line of return.)	
5 Net section 1231 gain (loss) (other than due to casualty or theft)			
a 28% rate gain (loss)	5a	See Shareholder's Instructions for Schedule K-1 (Form 1120S)	
b Total for year	5b		
6 Other income (loss) (attach schedule)	6	(Enter on applicable line of return.)	
Deductions	7 Charitable contributions (attach schedule)	7	Schedule A, line 15 or 16
	8 Section 179 expense deduction	8	See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	9 Deductions related to portfolio income (loss) (attach schedule)	9	
	10 Other deductions (attach schedule)	10	
Investment Interest	11a Interest expense on investment debts	11a	Form 4952, line 1 See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	b(1) Investment income included on lines 4a, 4b, 4c, and 4f above	b(1) 92.	
	(2) Investment expenses included on line 9 above	b(2)	
Credits	12a Credit for alcohol used as fuel	12a	Form 6478, line 10
	b Low-income housing credit:		Form 8586, line 5
	(1) From section 42(j)(5) partnerships for property placed in service before 1990	b(1)	
	(2) Other than on line 12b(1) for property placed in service before 1990	b(2)	
	(3) From section 42(j)(5) partnerships for property placed in service after 1989	b(3)	
	(4) Other than on line 12b(3) for property placed in service after 1989	b(4)	
	c Qualified rehabilitation expenditures related to rental real estate activities	12c	See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	d Credits (other than credits shown on lines 12b and 12c) related to rental real estate activities	12d	
	e Credits related to other rental activities	12e	
	13 Other credits	13	

	(a) Pro rata share items	(b) Amount	(c) Form 1040 filers enter the amount in column (b) on:
Adjustments and Tax Preference Items	14a Depreciation adjustment on property placed in service after 1986.....	14a	See Shareholder's Instructions for Schedule K-1 (Form 1120S) and Instructions for Form 6251
	b Adjusted gain or loss.....	14b	
	c Depletion (other than oil and gas).....	14c	
	d (1) Gross income from oil, gas, or geothermal properties.....	d(1)	
	(2) Deductions allocable to oil, gas, or geothermal properties.....	d(2)	
	e Other adjustments and tax preference items (attach schedule).....	14e	
Foreign Taxes	15a Type of income ▶		Form 1116, Check boxes
	b Name of foreign country or U.S. possession ▶		
	c Total gross income from sources outside the United States (attach schedule).....	15c	Form 1116, Part I
	d Total applicable deductions and losses (attach schedule).....	15d	
	e Total foreign taxes (check one): ▶ <input type="checkbox"/> Paid <input type="checkbox"/> Accrued.....	15e	Form 1116, Part II
	f Reduction in taxes available for credit (attach schedule).....	15f	Form 1116, Part III
	g Other foreign tax information (attach schedule).....	15g	See Instructions for Form 1116
Other	16 Section 59(e)(2) expenditures: a Type ▶		See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	b Amount.....	16b	Form 1040, line 8b
	17 Tax-exempt interest income.....	17	
	18 Other tax-exempt income.....	18	
	19 Nondeductible expenses.....	19	63.
	20 Property distributions (including cash) other than dividend distributions reported to you on Form 1099-DIV.....	20	
	21 Amount of loan repayments for 'Loans from Shareholders'.....	21	
	22 Recapture of low-income housing credit:		
a From section 42(j)(5) partnerships.....	22a		
b Other than on line 22a.....	22b		Form 8611, line 8
23	Supplemental information required to be reported separately to each shareholder (attach additional schedules if more space is needed):		
Supplemental Information			

Form 1120S, Page 1, Line 19

Tax Returns 1996-1998 Pg 35 of 67

**Other Deductions**

AMORTIZATION	4,603.
AUTOMOBILE AND TRUCK EXPENSE	39,127.
BANK CHARGES	6,545.
DUES AND SUBSCRIPTIONS	3,764.
EQUIPMENT RENT	277,870.
INSURANCE	7,234.
LEGAL AND PROFESSIONAL	24,906.
MEALS AND ENTERTAINMENT (50%)	12,218.
MISCELLANEOUS	19,518.
OFFICE EXPENSE	18,064.
PERMITS AND FEES	525.
POSTAGE	887.
SUPPLIES	1,322.
TELEPHONE	15,700.
TRAVEL	5,269.
UTILITIES	53,033.
WASTE REMOVAL	2,390.
PROFESSIONAL DEVELOPMENT	818.
PAYROLL INSURANCE	50,657.
COMPUTER SOFTWARE	2,114.
CONTRACT LABOR	72,888.
Total	619,452.

Other Current Assets (Itemize):  
1120S, Schedule L, Line 6

Other Current Assets (itemize):	Beginning of tax year	End of tax year
ACCTS RECEIVABLE-EMPLOYEE	8,646.	250.
PAYROLL DEDUCTIONS	5,837.	
ACCOUNT RECEIVABLE - MISC		2,352.
PREPAID EXPENSES	13,565.	
Total	28,048.	2,602.

Other Current Liabilities (Itemize):  
1120S, Schedule L, Line 18

Other Current Liabilities (itemize):	Beginning of tax year	End of tax year
ACCRUED EXPENSES	5,801.	59,054.
NOTE PAYABLE - MNB		325,000.
Total	5,801.	384,054.

Form 1120S, Page 4, Schedule M-1, Line 3  
Sch M-1, Line 3

NON-DEDUCTIBLE EXPENSES	414.
-------------------------	------

Sch M-1, Line 3

---

Total	414.
-------	------

---

Form 1120S, Page 4, Schedule M-2, Line 5

**Schedule M-2, Other Reductions**

---

TRAVEL AND ENTERTAINMENT	12,217.	
NON-DEDUCTIBLE EXPENSES	414.	

---

Total	12,631.
-------	---------

IDENTIFICATION	
▶ 1 This return is for calendar year 1997 or for the following tax year Beginning Date month year Ending Date month year 1997 19	▶ 5 Federal Employer ID No. (FEIN) or TR No. 38-3265049
2 Name (Type or Print) NUTECH PLASTICS ENGINEERING, INC. d/b/a	6a Check this box if address is new <input type="checkbox"/> b Check this box if discontinued <input type="checkbox"/> Effective date of discontinuance
Street Address 8018 EMBURY RD.	7 Business Start Date 10-26-95
City, State, ZIP GRAND BLANC, MI 48439	8 Principal Business Activity MANUFACTURING
▶ 3 Check this box if you are filing a Michigan consolidated return. <input type="checkbox"/> Enter authorization number	▶ 9 Organization Type (check one) a. <input type="checkbox"/> Individual b. <input type="checkbox"/> Fiduciary c. <input type="checkbox"/> Professional Corporation d. <input checked="" type="checkbox"/> S-Corporation e. <input type="checkbox"/> Other Corporation f. <input type="checkbox"/> Partnership g. <input type="checkbox"/> Limited Liability Company
▶ 4 Check this box if you are a member of a controlled group (see instruction book). <input type="checkbox"/>	

10 Gross receipts ..... ▶ 10 11,454,764.  
11 Business income. Filers using the Short-Method, go to C-8000S, line 9 ..... ▶ 11 ( 669,152.)

#### COMPENSATION

12 Salaries, wages and other payments to employees ..... ▶ 12 444,883.  
13 Employee insurance plans - health, life ..... ▶ 13 50,657.  
14 Pension, retirement, profit sharing plans ..... ▶ 14 0.  
15 Other payments - supplemental unemployment benefit trust, etc. .... ▶ 15 0.  
16 Total Compensation. Add lines 12-15 ..... 16 495,540.

#### ADDITIONS (to the extent deducted in arriving at business income)

17 Depreciation and other write-off of tangible assets ..... ▶ 17 86,374.  
18 Taxes imposed on or measured by income (city, state, foreign) ..... ▶ 18 0.  
19 Single business tax ..... ▶ 19 0.  
20 Dividends, interest and royalty expenses ..... ▶ 20 95,423.  
21 Capital loss carryover or carryback ..... ▶ 21 0.  
22 Net operating loss carryover or carryback ..... ▶ 22 0.  
23 Gross interest and dividend income from bonds and similar obligations  
issued by states other than Michigan and its political subdivisions ..... ▶ 23 0.  
24 Any deduction or exclusion due to classification as FSC or similar  
classification and expenses of financial organizations (see inst.) ..... ▶ 24 0.  
25 Losses from partnerships. Account no. .... ▶ 25 0.  
26 Total Additions. Add lines 17-25 ..... 26 181,797.  
27 Subtotal. Add lines 11, 16 and 26 ..... 27 8,185.

#### SUBTRACTIONS

28 Dividends, interest and royalty income included in business income .... ▶ 28 0.  
29 Capital losses not deducted in arriving at business income ..... ▶ 29 0.  
30 Income from partnerships included in business income,  
Account no. .... ▶ 30 0.  
31 Total Subtractions. Add lines 28-30 ..... 31 0.

#### TAX BASE

32 Tax Base. Subtract line 31 from line 27 ..... 32 8,185.  
33 Apportioned Tax Base. Multiply line 32 by ..... % (from form C-8000H, line 16 or 19) ..... 33 0.

Go to page 2

#### PAYMENT

63 What is the amount you entered on page 2, line 59? ..... PAY THIS AMOUNT ..... ▶ 63 0.

Attachments: Attach copies of the federal forms listed in the instructions to your return. Also attach all required SBT schedules.

Payment: Payable to "State of Michigan." Write your FEIN on the check.

Mail to: Michigan Dept. of Treasury  
P.O. Box 30059  
Lansing, MI 48909

## TAX BASE

34 What amount did you enter on line 32 or 33 (whichever applies)? 34 8,185.

## ADJUSTMENTS

35 Capital acquisition deduction (C-8000D, line 7 or 8, whichever applies) 35 732,933.  
 36 Recapture of capital acquisition deduction (from form C-8000D, line 26) ▶ 36 0.  
 37 Net capital acquisition deduction. Subtract line 36 from line 35 37 732,933.  
**NOTE:** A negative amount on line 37 will increase your tax base.  
 38 ADJUSTED TAX BASE BEFORE loss deduction and statutory exemption.  
 Subtract (if negative add) line 37 from line 34 ▶ 38 ( 724,748.)  
 If negative, this is business loss carryforward; do not complete lines 39 through 50.  
 39 Business loss deduction 39 442,194.  
 40 Adjusted Tax Base Before Statutory Exemption. Subtract line 39 from line 38 40 ( 1,166,942.)

## STATUTORY EXEMPTION Complete and attach the Statutory Exemption Schedule (form C-8043).

41 Allowable statutory exemption (from form C-8043, line 16) 41  
 42 Adjusted Tax Base. Subtract line 41 from line 40. Check if C-8000G is attached ▶ a ☐ 42

## REDUCTIONS, CREDITS, TAX

43 Reduction to adjusted tax base, if applicable (see instructions for form C-8000S) 43  
 44 Taxable base. Subtract line 43 from line 42. If you used the gross receipts short-method, enter the amount from form C-8000S, line 14 44  
 45 Tax Before Credits. Multiply line 44 by 2.3% (.023) ▶ 45

The small business and contribution credits are computed on form C-8000C. Complete the C-8000C before continuing. If you are not filing a C-8000C, enter the amount from line 45 on line 46.

46 Enter either the amount from form C-8000, line 45 or C-8000C, line 36 46  
 47 Unincorporated/S-Corp. Credit. Multiply line 46 by percent from page 14. 47  
 48 Nonrefundable Credits from C-8000MC, line 64 or 70 48  
 49 Add lines 47 and 48 49  
 50 Tax After Nonrefundable Credits. Subtract line 49 from line 46 ▶ 50

## PAYMENTS AND TAX DUE

51 Overpayment credited from 1996. 51 0.  
 52 Estimated tax payments 52 0.  
 53 Tax paid with request for extension 53 0.  
 54 Refundable Credits from C-8000MC, line 12 54 0.  
 55 Total. Add lines 51-54 ▶ 55 0.  
 56 TAX DUE. Subtract line 55 from line 50. If less than zero, leave blank ▶ 56 0.  
 57 Underpaid estimate penalty and interest from form C-8020, line 28 or 38 whichever applies 57 0.  
 58 Annual return penalty at % = and interest = 58 0.  
 59 Payment Due. Add lines 56 - 58. Enter this amount on page 1, line 63 59 0.

## YOUR REFUND or OVERPAYMENT

60 Overpayment. Subtract line 50 from line 55 60  
 61 How much of the amount on line 60 do you want refunded to you? ▶ 61  
 62 How much of the amount on line 60 do you want credited forward? ▶ 62

## SIGNATURE, DECLARATION AND AUTHORIZATION

## TAXPAYER'S DECLARATION

I declare, under penalty of perjury, that this return is true and correct to the best of my knowledge.  
☒ I authorize Treasury to discuss my return with my preparer.  
☐ Do not discuss my return with my preparer.  
 ▶ ☒ Check this box if you do not need a book mailed to you.

Taxpayer's Signature

Date

Title

## PREPARER'S DECLARATION

I declare, under penalty of perjury, that this return is based on all information of which I have any knowledge.

Preparer's Signature

Date

Business Address, Phone and Identification Number

DAIG & DAIG P.C., CPAs  
 G-4067 VanSlyke Rd. PO Box 7607  
 Flint, MI 48507

This return is due April 30, or on or before the last day of the 4th month after the close of your tax year.

This form is filed under authority of P.A. 228 of 1975.  
See instruction booklet for filing guidelines.

1 Name  
NUTECH PLASTICS ENGINEERING, INC.

2 Federal Employer ID No. (FEIN) or TR No.  
38-3265049

**PART 1: CAPITAL ACQUISITION DEDUCTION**

3. Enter all eligible depreciable real and personal property located in Michigan that was acquired during the tax year.  
Also enter all mobile tangible assets acquired during the tax year.

a Description	b Location	c Date Acquired	d Cost Paid or Accrued During Tax Year
LEASEHOLD IMPROVEMENT	GRAND BLANC, MI	7/97	322957
GOYETTE MECHANICAL	GRAND BLANC, MI	7/97	175445
2 MONITORS	GRAND BLANC, MI	7/97	1023
AMD 100 TOWER COMPUTE	GRAND BLANC, MI	2/97	1110
200 MHZ COMPUTER	GRAND BLANC, MI	8/97	2120
LASER PRINTER	GRAND BLANC, MI	8/97	1695

4. Total column 3d ..... 4. 732933.

5. Enter all eligible depreciable real and personal property acquired in a tax year beginning after Dec. 31, 1996 for use outside of Michigan that was transferred into Michigan during the tax year. Do not include mobile tangible assets.

a Description	b Location	c Date Physically Located in Mich.	d Federal Adjusted Basis as of Date Moved

6. Total column 5d ..... 6. 0.

**7. Total eligible depreciable real and personal property**

Add lines 4 and 6, column d. If you are not taxable in another state, enter the amount from line 7

on form C-8000, line 35. If you are subject to apportionment complete line 8. 7. 732933.

8. **Apportioned capital acquisition deduction.** Multiply line 7 by the percentage from C-8000H, line 16 or 19 (whichever applies). Enter here and on form C-8000, line 35. 8.

9. Enter the total cost paid or accrued of all depreciable real and personal property located everywhere that was acquired during the tax year (authorized under MCL 208.80(3)) 9. 732933.

RECAPTURE OF CAPITAL ACQUISITION DEDUCTION

PART 2

10. Enter all depreciable **real property located in Michigan** that was sold or otherwise disposed of during the tax year. Include property acquired on or after Jan. 1, 1976 and in tax years beginning before Oct. 1, 1989.

a Description	b Location	c Date Acquired	d Date Sold	e Gross Sales Price	f Gain or (loss)
11. Total columns 10e and 10f*				0	0
12. <b>Adjusted Proceeds.</b> If line 11f is a gain, subtract it from 11e. If line 11f is a loss, add it to 11e				0	0
If taxable in another state, complete lines 13 and 14; otherwise, go to line 15.					
13. Apportioned gains or (losses). Multiply line 11f by the percentage from C-8000H, line 16 or line 19, whichever applies					
14. Apportioned Adjusted Proceeds. If line 13 is a gain, subtract it from 11e. If line 13 is a loss, add it to 11e					

PART 3

15. Enter all depreciable **personal property** that was sold or otherwise disposed of during the tax year. Include property acquired on or after Jan. 1, 1976 and in tax years beginning before Oct. 1, 1989.

a Description	b Location	c Date Acquired	d Date Sold	e Gross Sales Price	f Gain or (loss)
16. Total columns 15e and 15f*				0	0
17. <b>Adjusted Proceeds.</b> If line 16f is a gain, subtract it from 16e. If line 16f is a loss, add it to 16e				0	0
If taxable in another state, complete line 18; otherwise go to line 19.					
18. Apportioned Adjusted Proceeds. Multiply line 17 by the percentage from C-8000H, line 23					

PART 4

19. Enter all depreciable **real and personal property** that was sold or otherwise disposed of during the tax year. Include property acquired in tax years beginning after Sept. 30, 1989 and before Jan. 1, 1997. Also include real and personal property acquired in tax years beginning after Dec. 31, 1996 and located in Michigan, or moved into Michigan after acquisition. Also enter all mobile tangible assets acquired in tax years beginning after Dec. 31, 1996.

a Description	b Location	c Date Acquired	d Date Sold	e Gross Sales Price	f Gain or (loss)
20. Total columns 19e and 19f*				0	0
21. <b>Adjusted Proceeds.</b> If line 20f is a gain, subtract it from 20e. If line 20f is a loss, add it to 20e				0	0
If taxable in another state, complete line 22; otherwise go to line 23					
22. Apportioned Adjusted Proceeds. Multiply line 21 by the percentage from C-8000H, line 16 or 19					

PART 5

23. Enter all depreciable **real and personal property** transferred outside Michigan, other than mobile tangible assets, acquired in tax years beginning after Dec. 31, 1996 that were eligible for a capital acquisition deduction.

a Description	b Location	c Date Acquired	d Date Transferred	e Adjusted Federal Basis
24. Total column 23e				0
25. Apportioned total federal basis. Multiply line 24 by the percentage from C-8000H, line 16 or 19, whichever applies.				0

PART 6

26. **TOTAL RECAPTURE of Capital Acquisition Deduction.** Add lines 12, 17, 21 and 24 OR lines 14, 18, 22 and 25, whichever apply. Enter here and on C-8000, line 36, C-8044, line 9 or C-8030, line 5

\*A loss on Line 11, 16 or 20 column f will increase the recapture.



This form is filed under authority of P.A. 228 of 1975.  
See instruction booklet for filing guidelines.

1 Name  
NUTECH PLASTICS ENGINEERING, INC.

2 Federal Employer ID No. (FEIN) or TR No.  
38-3265049

**PART 1: CAPITAL ACQUISITION DEDUCTION**

3. Enter all eligible depreciable real and personal property located in Michigan that was acquired during the tax year.  
Also enter all mobile tangible assets acquired during the tax year.

a Description	b Location	c Date Acquired	d Cost Paid or Accrued During Tax Year
MOTOROLA WALKIE TALKI	GRAND BLANC, MI	12/97	2074
JT&T COMMUNICATIONS	GRAND BLANC, MI	12/97	938
PLANT EQUIPMENT	GRAND BLANC, MI	6/97	225571

4. Total column 3d ..... 4. 732933.

5. Enter all eligible depreciable real and personal property acquired in a tax year beginning after Dec. 31, 1996 for use outside of Michigan that was transferred into Michigan during the tax year. Do not include mobile tangible assets.

a Description	b Location	c Date Physically Located in Mich.	d Federal Adjusted Basis as of Date Moved

6. Total column 5d ..... 6. 0.

**7. Total eligible depreciable real and personal property**

Add lines 4 and 6, column d. If you are not taxable in another state, enter the amount from line 7 on form C-8000, line 35. If you are subject to apportionment complete line 8

7. 732933.

8. Apportioned capital acquisition deduction. Multiply line 7 by the percentage from C-8000H, line 16 or 19 (whichever applies). Enter here and on form C-8000, line 35

8.

9. Enter the total cost paid or accrued of all depreciable real and personal property located everywhere that was acquired during the tax year (authorized under MCL 208.80(3))

9. 732933.

## SCHEDULE OF SHAREHOLDERS AND OFFICERS

C-8000KC  
1997

For all corporations claiming statutory exemption or small business credit.

This form is filed under authority of P.A. 228 of 1975. See instruction booklet for filing guidelines.

1 Name <b>NUTECH PLASTICS ENGINEERING, INC.</b>				2 Federal Employer ID No. (FEIN) or TR No. <b>38-3265049</b>				
<b>PART 1 SHAREHOLDERS AND OFFICERS</b> - See instruction booklet.								
<b>3A</b>	Shareholder (including corporation and trust) or officer name (Last, First, Initial)	<b>B</b> Social Security Number	<b>C</b> If an officer, check here.	<b>D</b> %Time	<b>E</b> % Stock	<b>F</b> % Stock with attribution	<b>G</b> % Stock from col. F less any attribution between 2 active shareholders	
a	JOHN W. MAILEY	381-44-6408	X	100.00	51.00	51.00	51.00 a	
b	JOHN G. COOPER	376-42-0636	X	100.00	48.50	48.50	48.50 b	
c							c	
d							d	
e							e	
f							f	
g							g	
h							h	
▶ % stock (not listed above) owned by shareholders who own less than 20% and receive no compensation.					0.50%			
<b>Continue below using same a through h references.</b>					<b>Total</b>	100%		
<b>H</b>	Dividends (used to determine active shareholders)	<b>I</b> Salaries, wages and/or director fees	<b>J</b> Employee insurance plans, pensions, etc.	<b>K</b> Total compensation and director fees for officers and/or shareholders (add columns I & J)	<b>L</b> Share of business income/loss (C-8000C, line 6 x column G)	<b>M</b> Total shareholder/officer income (add columns K & L)		
a	0	0	0	0	( 341,268)	( 341,268) a		
b	0	0	0	0	( 324,539)	( 324,539) b		
c						c		
d						d		
e						e		
f						f		
g						g		
h						h		
If you need more space attach additional C-8000KC forms. Identify each additional form and complete Part 1.								
<b>PART 2 STATUTORY EXEMPTION</b> - See definition of qualified shareholder in the instruction booklet.								
4	Qualified shareholders. Add the number of qualified shareholders from Part 1. Enter here, and on C-8043, line 8a						4	0
5	Compensation and director fees of ALL shareholders. Add amounts in column K for each shareholder showing ownership in column E. Enter here, on C-8043, line 5						5	0
<b>PART 3 SMALL BUSINESS CREDIT</b> - See definition of active shareholder in the instruction booklet.								
6	Compensation and director fees of active shareholders. Add amounts in column K for each active shareholder. Enter here and on C-8000C, line 7 or C-8044, line 12						6	0
7	Compensation and director fees of officers. Add amounts in column K for each officer who is not an active shareholder. Enter here and on C-8000C, line 8 or C-8044, line 12						7	0

# REDUCTIONS TO ADJUSTED TAX BASE

This form is filed under authority of P.A. 228 of 1975.  
See instruction booklet for filing guidelines.

<b>1 Name</b> NUTECH PLASTICS ENGINEERING, INC.	<b>2 Federal Employer ID No. (FEIN) or TR No.</b> 38-3265049
--	---

**NOTE: Carry all percentages to at least six decimal places.**  
**Short-Method filers complete lines 9 - 14 only.**

**PART 1 - COMPENSATION REDUCTION**

3 Compensation (from C-8000, line 16) .....	3	495,540.
4 Tax base (from C-8000, line 32) .....	4	8,185.
5 Divide line 3 by line 4 (maximum 100%) .....	5	100.00000 %
If line 5 is less than 63%, you cannot use this reduction.		
		63 %
6 Subtract 63% from line 5 (maximum 37%) .....	6	37.00000 %
7 Adjusted tax base (from C-8000, line 42) .....	7	0.
<b>8 Reduction to adjusted tax base.</b> Multiply line 6 by line 7. Complete Part 2, then use the method to your advantage ..... 8 <u>0.</u>		

**PART 2 - GROSS RECEIPTS REDUCTION (Short-Method filers complete lines 9 - 14 only.)**

9 Gross receipts (from C-8000, line 10) .....	9	11,454,764.
If taxable in another state, complete lines 10 and 11.		
10 Enter percentage from C-8000H, line 16 or 19, whichever applies .....	10	%
11 Apportioned gross receipts. Multiply line 9 by line 10 .....	11	
12 Recapture of capital acquisition deduction (from C-8000D, line 26) .....	12	0.
13 Adjusted gross receipts. Add lines 9 or 11, whichever applies, and line 12 .....	13	11,454,764.
14 Gross receipts limitation. Multiply line 13 by 50% .....	14	5,727,382.
Short-Method filers enter here and on C-8000, line 44.		
Complete lines 15 and 16 only after you have completed Parts 1 and 2		
15 Reduction to adjusted tax base. Subtract line 14 from line 7, then complete Part 3. If line 15 is less than zero, you cannot use the gross receipts reduction .....	15	0.

**PART 3 - SUMMARY**

16 Compare lines 8 and 15. Enter the greater amount here and on your C-8000, line 43 .....	16	0.
---	----	----

This form is filed under authority of P.A. 228 of 1975.  
See instruction booklet for filing guidelines.

<b>1 Name</b> NUTECH PLASTICS ENGINEERING, INC.	<b>2 Federal Employer ID No. (FEIN) or TR No.</b> 38-3265049
--	---

**NOTE:** If you are claiming a statutory exemption, you must complete and attach this schedule to your SBT Annual Return (form C-8000).

3 Business income (from C-8000 line 11). Non-corporate taxpayers, if you average business income, enter amount from C-8000G, line 9 .....	3	( 669,152. )
4 Loss carryback or carryforward (from C-8000, lines 21 and 22). This cannot be a negative number .....	4	0.
5 Compensation and director fees of ALL shareholders (from C-8000KC, line 5) .....	5	0.
6 Add lines 3, 4, and 5 .....	6	( 669,152. )
7 Statutory Exemption. Enter \$45,000 or the amount from C-8009, line 4 .....	7	45,000.

**Partners or Shareholders (S or Professional Corporation) Exemption**

8 Number qualified (from C-8000KP, line 5 or C-8000KC, line 4) 8a. 0 LESS 1 = 8b. 0		
9 Multiply line 8b by \$12,000 (maximum \$48,000). ....	9	0.
10 Increased statutory exemption. Add lines 7 and 9 .....	10	45,000.

**Short-period/Part-year Exemption**

11 Number of months covered by this return  11a 12 divided by 12 = 11b 100.000 %.		
12 Multiply line 7 or 10 by the percentage on line 11b .....	12	45,000.

**Allowable Exemption**

13 Enter the amount from line 7, 10, or 12, whichever applies .....	13	45,000.
14 Subtract line 13 from line 6. If this is a negative amount, enter zero .....	14	0.
15 Multiply line 14 by 2 (cannot be less than zero) .....	15	0.
16 Allowable Statutory Exemption. Subtract line 15 from line 13. Enter this amount on your C-8000, line 41 and attach this schedule to your return .....	16	45,000.

If line 16 is negative, enter zero. You are not allowed a statutory exemption.

Form **1120S** **U.S. Income Tax Return**  
**for an S Corporation** **1998**

OMB No. 1545-0130

IRS use only — Do not write or staple in this space.

- ▶ Do not file this form unless the corporation has timely filed Form 2553 to elect to be an S corporation.  
▶ See separate instructions.

For calendar year 1998, or tax year beginning

, 1998, ending

, 19

<b>A</b> Effective date of Election as an S Corporation 12/05/95	<b>Use IRS label. Otherwise please print or type.</b>	<b>Name</b> NUTECH PLASTICS ENGINEERING, INC.	<b>C</b> Employer Identification Number 38-3265049
<b>B</b> New Business Code No. (see instructions) 326100		<b>Number, Street, and Room or Suite No. (If a P.O. box, see instructions)</b> 8018 EMBURY RD.	<b>D</b> Date Incorporated 10/26/95
		<b>City or Town</b> GRAND BLANC	<b>E</b> Total Assets (see instructions) \$ 5,113,461.
		<b>State</b> MI <b>ZIP Code</b> 48439	
<b>F</b> Check applicable boxes: (1) Initial return (2) Final return (3) Change in address (4) Amended return			
<b>G</b> Enter number of shareholders in the corporation at end of the tax year ▶ 2			

Caution: Include only trade or business income and expenses on lines 1a through 21. See the instructions for more information.

<b>I N C O M E</b>	<b>1 a</b> Gross receipts or sales	17,584,852.	<b>b</b> Less returns and allowances		<b>c</b> Bal ▶	<b>1 c</b>	17,584,852.
	<b>2</b> Cost of goods sold (Schedule A, line 8)					<b>2</b>	12,402,995.
	<b>3</b> Gross profit. Subtract line 2 from line 1c					<b>3</b>	5,181,857.
	<b>4</b> Net gain (loss) from Form 4797, Part II, line 18 (attach Form 4797)					<b>4</b>	
	<b>5</b> Other income (loss) (attach schedule) See Other Income (Loss)					<b>5</b>	11,909.
	<b>6</b> Total income (loss). Combine lines 3 through 5					<b>6</b>	5,193,766.
<b>D E D U C T I O N S</b>	<b>7</b> Compensation of officers					<b>7</b>	138,229.
	<b>8</b> Salaries and wages (less employment credits)					<b>8</b>	1,368,301.
	<b>9</b> Repairs and maintenance					<b>9</b>	171,784.
	<b>10</b> Bad debts					<b>10</b>	28,152.
	<b>11</b> Rents					<b>11</b>	656,455.
	<b>12</b> Taxes and licenses					<b>12</b>	245,004.
	<b>13</b> Interest					<b>13</b>	207,913.
	<b>14 a</b> Depreciation (if required, attach Form 4562)	14 a	184,931.				
	<b>b</b> Depreciation claimed on Schedule A and elsewhere on return	14 b					
	<b>c</b> Subtract line 14b from line 14a				<b>14 c</b>	184,931.	
	<b>15</b> Depletion (Do not deduct oil and gas depletion.)				<b>15</b>		
	<b>16</b> Advertising				<b>16</b>	143.	
	<b>17</b> Pension, profit-sharing, etc., plans				<b>17</b>		
	<b>18</b> Employee benefit programs				<b>18</b>	127,681.	
	<b>19</b> Other deductions (attach schedule) See Other Deductions				<b>19</b>	1,566,325.	
<b>20</b> Total deductions. Add the amounts shown in the far right column for lines 7 through 19				<b>20</b>	4,694,918.		
<b>21</b> Ordinary income (loss) from trade or business activities. Subtract line 20 from line 6				<b>21</b>	498,848.		
<b>T A X  A N D  P A Y M E N T S</b>	<b>22</b> Tax: <b>a</b> Excess net passive income tax (att schedule)	22 a					
	<b>b</b> Tax from Schedule D (Form 1120S)	22 b					
	<b>c</b> Add lines 22a and 22b (see instructions for additional taxes)				<b>22 c</b>		
	<b>23</b> Payments: <b>a</b> 1998 estimated tax payments and amount applied from 1997 return	23 a					
	<b>b</b> Tax deposited with Form 7004	23 b					
	<b>c</b> Credit for federal tax paid on fuels (attach Form 4136)	23 c					
	<b>d</b> Add lines 23a through 23c				<b>23 d</b>		
	<b>24</b> Estimated tax penalty. Check if Form 2220 is attached				<b>24</b>		
	<b>25</b> Tax due. If the total of lines 22c & 24 is larger than line 23d, enter amount owed. See instrs for depository method of payment				<b>25</b>		
	<b>26</b> Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid				<b>26</b>		
<b>27</b> Enter amount of line 26 you want: Credited to 1999 estimated tax ▶ Refunded ▶				<b>27</b>			

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of Officer \_\_\_\_\_ Date \_\_\_\_\_ Title \_\_\_\_\_

Paid Preparer's Use Only

Preparer's Signature	Date	Check if self-employed	Preparer's Social Security Number
	05/18/99	▶	362-50-2624
Firm's Name (or yours if self-employed) and Address	EIN ▶		
DAIG & DAIG, P.C., C.P.A.s	38-2121869		
G-4067 VAN SLYKE RD.			
FLINT MI	ZIP Code ▶		48507

BAA For Paperwork Reduction Act Notice, see separate instructions.

Form 1120S (1998)

SPSA0112 11/25/98

CLIENT'S COPY

Form 1120S (1998) NUTECH PLASTICS ENGINEERING, INC.

38-3265049

Page 2

**Schedule A** Cost of Goods Sold (see instructions)

1	Inventory at beginning of year	1	279,262.
2	Purchases	2	12,247,949.
3	Cost of labor	3	
4	Additional Section 263A costs (attach schedule)	4	
5	Other costs (attach schedule) See Schedule A, Other Costs	5	226,342.
6	Total. Add lines 1 through 5	6	12,753,553.
7	Inventory at end of year	7	350,558.
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	12,402,995.

9a Check all methods used for valuing closing inventory:

- (i) ☒ Cost as described in Regulations Section 1.471-3  
 (ii) ☐ Lower of cost or market as described in Regulations Section 1.471-4  
 (iii) ☐ Other (specify method used and attach explanation) \_\_\_\_\_

b Check if there was a writedown of 'subnormal' goods as described in Regulations Section 1.471-2(c) ☐

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ☐

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO 9d \_\_\_\_\_

e Do the rules of Section 263A (for property produced or acquired for resale) apply to the corporation? ☒ Yes ☐ No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? ☐ Yes ☒ No  
 If 'Yes,' attach explanation \_\_\_\_\_

**Schedule B** Other Information

	Yes	No
1 Check method of accounting: (a) <input type="checkbox"/> Cash (b) <input checked="" type="checkbox"/> Accrual (c) <input type="checkbox"/> Other (specify) _____		
2 Refer to the list in the instructions and state the corporation's principal: (a) Business activity <u>MANUFACTURING</u> (b) Product or service <u>PLASTICS</u>		
3 Did the corporation at the end of the tax year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see Section 267(c).) If 'Yes,' attach a schedule showing: (a) name, address, and employer identification number and (b) percentage owned		X
4 Was the corporation a member of a controlled group subject to the provisions of Section 1561?		X
5 At any time during calendar year 1998, did the corporation have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? (See the instructions for exceptions and filing requirements for Form TD F 90-22.1.) If 'Yes,' enter the name of the foreign country _____		X
6 During the tax year, did the corporation receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If 'Yes,' the corporation may have to file Form 3520. See instructions		X
7 Check this box if the corporation has filed or is required to file Form 8264, Application for Registration of a Tax Shelter <input type="checkbox"/>		
8 Check this box if the corporation issued publicly offered debt instruments with original issue discount. If so, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments. <input type="checkbox"/>		
9 If the corporation: (a) filed its election to be an S corporation after 1986, (b) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to its basis (or the basis of any other property) in the hands of a C corporation, and (c) has net unrealized built-in gain (defined in Section 1374(d)(1)) in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years (see instructions) \$ _____		
10 Check this box if the corporation had accumulated earnings and profits at the close of the tax year (see instructions) <input type="checkbox"/>		

**Schedule K Shareholders' Shares of Income, Credits, Deductions, etc**

	(a) Pro rata share items	(b) Total amount
Income (Loss)	1 Ordinary income (loss) from trade or business activities (page 1, line 21)	1 498,848.
	2 Net income (loss) from rental real estate activities (attach Form 8825)	2
	3a Gross income from other rental activities	3a
	b Expenses from other rental activities (attach schedule)	3b
	c Net income (loss) from other rental activities. Subtract line 3b from line 3a	3c
	4 Portfolio income (loss):	
	a Interest income	4a 25,727.
	b Ordinary dividends	4b
	c Royalty income	4c
	d Net short-term capital gain (loss) (attach Schedule D (Form 1120S))	4d
	e Net long-term capital gain (loss) (attach Schedule D (Form 1120S)):	
	(1) 28% rate gain (loss) (2) Total for year	4 e (2)
f Other portfolio income (loss) (attach schedule)	4f	
5 Net section 1231 gain (loss) (other than due to casualty or theft) (attach Form 4797)	5	
6 Other income (loss) (attach schedule)	6	
Deductions	7 Charitable contributions (attach schedule) CONTRIBUTIONS	7 2,406.
	8 Section 179 expense deduction (attach Form 4562)	8
	9 Deductions related to portfolio income (loss) (itemize)	9
	10 Other deductions (attach schedule)	10
Investment Interest	11a Interest expense on investment debts	11a
	b (1) Investment income included on lines 4a, 4b, 4c, and 4f above	11 b (1) 25,727.
	(2) Investment expenses included on line 9 above	11 b (2)
Credits	12a Credit for alcohol used as a fuel (attach Form 6478)	12a
	b Low-income housing credit:	
	(1) From partnerships to which section 42(j)(5) applies for property placed in service before 1990	12b (1)
	(2) Other than on line 12b(1) for property placed in service before 1990	12b (2)
	(3) From partnerships to which section 42(j)(5) applies for property placed in service after 1989	12b (3)
	(4) Other than on line 12b(3) for property placed in service after 1989	12b (4)
	c Qualified rehabilitation expenditures related to rental real estate activities (attach Form 3468)	12c
	d Credits (other than credits shown on lines 12b and 12c) related to rental real estate activities	12d
	e Credits related to other rental activities	12e
	13 Other credits	13
Adjustments and Tax Preference Items	14a Depreciation adjustment on property placed in service after 1986	14a
	b Adjusted gain or loss	14b
	c Depletion (other than oil and gas)	14c
	d (1) Gross income from oil, gas, or geothermal properties	14d (1)
	(2) Deductions allocable to oil, gas, or geothermal properties	14d (2)
	e Other adjustments and tax preference items (attach schedule)	14e
Foreign Taxes	15a Type of income	
	b Name of foreign country or U.S. possession	
	c Total gross income from sources outside the United States (attach schedule)	15c
	d Total applicable deductions and losses (attach schedule)	15d
	e Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	15e
	f Reduction in taxes available for credit (attach schedule)	15f
	g Other foreign tax information (attach schedule)	15g
Other	16 Section 59(e)(2) expenditures: a Type b Amount	16b
	17 Tax-exempt interest income	17
	18 Other tax-exempt income	18
	19 Nondeductible expenses	19 14,666.
	20 Total property distributions (including cash) other than dividends reported on line 22 below	20
	21 Other items and amounts required to be reported separately to shareholders (attach schedule)	
	22 Total dividend distributions paid from accumulated earnings and profits	22
	23 Income (loss). (Required only if Schedule M-1 must be completed.) Combine lines 1 through 6 in column (b). From the result, subtract the sum of lines 7 through 11a, 15e, and 16b	23 522,169.

Form 1120S (1998) NUTECH PLASTICS ENGINEERING, INC.

38-3265049

Page 4

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1	Cash		90,144.		91,443.
2a	Trade notes and accounts receivable	2,902,288.		3,192,977.	
b	Less allowance for bad debts		2,902,288.		3,192,977.
3	Inventories		279,262.		350,558.
4	U.S. government obligations				
5	Tax-exempt securities				
6	Other current assets (attach schedule) Ln. 6. St		2,602.		
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (attach schedule)				
10a	Buildings and other depreciable assets	1,120,721.		1,765,554.	
b	Less accumulated depreciation	112,908.	1,007,813.	297,839.	1,467,715.
11a	Depletable assets				
b	Less accumulated depletion				
12	Land (net of any amortization)				
13a	Intangible assets (amortizable only)	23,014.		10,768.	
b	Less accumulated amortization	7,643.	15,371.		10,768.
14	Other assets (attach schedule)				
15	Total assets		4,297,480.		5,113,461.
Liabilities and Shareholders' Equity					
16	Accounts payable		3,657,831.		3,554,104.
17	Mortgages, notes, bonds payable in less than 1 year				
18	Other current liabilities (attach sch) Ln. 18. St		384,054.		98,202.
19	Loans from shareholders		851,775.		979,541.
20	Mortgages, notes, bonds payable in 1 year or more		301,940.		872,231.
21	Other liabilities (attach schedule)				
22	Capital stock		100,000.		100,000.
23	Additional paid-in capital				
24	Retained earnings		-998,120.		-490,617.
25	Adjustments to shareholders' equity (attach schedule)				
26	Less cost of treasury stock				
27	Total liabilities and shareholders' equity		4,297,480.		5,113,461.

**Schedule M-1 Reconciliation of Income (Loss) per Books with Income (Loss) per Return** (You are not required to complete this schedule if the total assets on line 15, column (d), of Schedule L are less than \$25,000.)

1	Net income (loss) per books	507,503.	5	Income recorded on books this year not included on Schedule K, lines 1 through 6 (itemize):	
2	Income included on Sch K, lines 1 through 6, not recorded on books this year (itemize):		a	Tax-exempt interest \$	
3	Expenses recorded on books this year not included on Schedule K, lines 1 through 11a, 15e, and 16b (itemize):		6	Deductions included on Schedule K, lines 1 through 11a, 15e, and 16b, not charged against book income this year (itemize):	
a	Depreciation \$		a	Depreciation \$	
b	Travel and entertainment \$ 14,666.		7	Add lines 5 and 6	
4	Add lines 1 through 3	522,169.	8	Income (loss) (Schedule K, ln 23). Ln 4 less in 7	522,169.

**Schedule M-2 Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed** (see instructions)

	(a) Accumulated adjustments account	(b) Other adjustments account	(c) Shareholders' undistributed taxable income previously taxed
1	Balance at beginning of tax year	-998,043.	
2	Ordinary income from page 1, line 21	498,848.	
3	Other additions See Schedule M-2, Other Additions	25,727.	
4	Loss from page 1, line 21		
5	Other reductions See Schedule M-2, Other Reductions	17,149.	
6	Combine lines 1 through 5	-490,617.	
7	Distributions other than dividend distributions		
8	Balance at end of tax year. Subtract line 7 from line 6	-490,617.	



Name(s) Shown on Return  
**NUTECH PLASTICS ENGINEERING, INC.**

Business or Activity to Which This Form Relates  
**Form 1120S Line 21**

Identifying Number  
**38-3265049**

**Part I**
**Election to Expense Certain Tangible Property (Section 179)**  
*(Note: If you have any "listed property," complete Part V before you complete Part I.)*

1	Maximum dollar limitation. If an enterprise zone business, see instructions	1	\$18,500.
2	Total cost of Section 179 property placed in service. See instructions	2	
3	Threshold cost of Section 179 property before reduction in limitation	3	\$200,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter amount from line 27	7	
8	Total elected cost of Section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from 1997. See instructions	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instrs)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 1999. Add lines 9 and 10, less line 12	13	

**Note:** Do not use Part II or Part III below for listed property (automobiles, certain other vehicles, cellular telephones, certain computers, or property used for entertainment, recreation, or amusement). Instead, use Part V for listed property.

**Part II**
**MACRS Depreciation for Assets Placed in Service Only During Your 1998 Tax Year**  
**(Do Not Include Listed Property)**

**Section A – General Asset Account Election**

14 If you are making the election under Section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check this box. See instructions

**Section B – General Depreciation System (GDS) (See instructions)**

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only – see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
15a 3-year property		307.	3.0	HY	200DB	102.
b 5-year property		38,788.	5.0	HY	200DB	7,757.
c 7-year property		446,601.	7.0	HY	200DB	63,801.
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27.5 yrs	MM	S/L	
			27.5 yrs	MM	S/L	
i Nonresidential real property	07/07/98	25,893.	39 yrs	MM	S/L	304.
	Various	88,361.	39.0	MM	S/L	1,253.

**Section C – Alternative Depreciation System (ADS) (See instructions)**

16a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

**Part III**
**Other Depreciation (Do Not Include Listed Property) (See instructions)**

17	GDS and ADS deductions for assets placed in service in tax years beginning before 1998	17	105,451.
18	Property subject to Section 168(f)(1) election	18	
19	ACRS and other depreciation	19	

**Part IV**
**Summary (See instructions)**

20	Listed property. Enter amount from line 26	20	6,263.
21	Total. Add deductions on line 12, lines 15 and 16 in column (g), and lines 17 through 20. Enter here and on the appropriate lines of your return. Partnerships and S corporations – see instructions	21	184,931.
22	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to Section 263A costs	22	

CLIENT'S COPY

**Part V** Listed Property — Automobiles, Certain Other Vehicles, Cellular Telephones, Certain Computers, and Property Used for Entertainment, Recreation, or Amusement

**Note:** For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 23a, 23b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

**Section A — Depreciation and Other Information** (Caution: See instructions for limits for passenger automobiles.)

23a Do you have evidence to support the business/investment use claimed? ☒ Yes ☐ No 23b If 'Yes,' is the evidence written? ☒ Yes ☐ No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected Section 179 cost
---	-------------------------------	---	----------------------------	--	------------------------	--------------------------	-------------------------------	---------------------------------

24 Property used more than 50% in a qualified business use (see instructions):

1997 GMC YUKON	12/29/98	100.00	29,637.	29,637.	5.00	200DBHY	3,160.	
1996 CHRYSLER LHS	11/17/98	100.00	15,513.	15,513.	5.00	200DBHY	3,103.	

25 Property used 50% or less in a qualified business use (see instructions):


26 Add amounts in column (h). Enter the total here and on line 20, page 1 26 6,263.

27 Add amounts in column (i). Enter the total here and on line 7, page 1 27

**Section B — Information on Use of Vehicles**

Complete this section for vehicles used by a sole proprietor, partner, or other 'more than 5% owner,' or related person.

If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1	(b) Vehicle 2	(c) Vehicle 3	(d) Vehicle 4	(e) Vehicle 5	(f) Vehicle 6
28 Total business/investment miles driven during the year (Do not include commuting miles)						
29 Total commuting miles driven during the year						
30 Total other personal (noncommuting) miles driven						
31 Total miles driven during the year. Add lines 28 through 30						
	Yes	No	Yes	No	Yes	No
32 Was the vehicle available for personal use during off-duty hours?						
33 Was the vehicle used primarily by a more than 5% owner or related person?						
34 Is another vehicle available for personal use?						

**Section C — Questions for Employers Who Provide Vehicles for Use by Their Employees**

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

	Yes	No
35 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
36 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See instructions for vehicles used by corporate officers, directors, or 1% or more owners		
37 Do you treat all use of vehicles by employees as personal use?		
38 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
39 Do you meet the requirements concerning qualified automobile demonstration use? See instructions		

**Note:** If your answer to 35, 36, 37, 38, or 39 is 'Yes,' you need not complete Section B for the covered vehicles.

**Part VI** Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code Section	(e) Amortization period or percentage	(f) Amortization for this year
40 Amortization of costs that begins during your 1998 tax year:					
41 Amortization of costs that began before 1998			41		4,603.
42 Total. Enter here and on 'Other Deductions' or 'Other Expenses' line of your return			42		4,603.

Schedule K-1  
(Form 1120S)

## Shareholder's Share of Income, Credits, Deductions, etc

OMB No. 1545-0130

See separate instructions.

For calendar year 1998 or tax year

1998

Department of the Treasury  
Internal Revenue Service

beginning

, 1998, and ending

, 19

Shareholder's identifying number ▶ 381-44-6408

Shareholder's Name, Address, and ZIP Code

JOHN W. MAILEY  
5028 MCCLANDISH RD.  
GRAND BLANC, MI 48439

Corporation's identifying number ▶ 38-3265049

Corporation's Name, Address, and ZIP Code

NUTECH PLASTICS ENGINEERING, INC.  
8018 EMBURY RD.  
GRAND BLANC, MI 48439

- A Shareholder's percentage of stock ownership for tax year (see instructions for Schedule K-1) ▶ 51.00000 %
- B Internal Revenue Service Center where corporation filed its return ▶ Cincinnati, OH 45999-0013
- C Tax shelter registration number (see instructions for Schedule K-1) ▶
- D Check applicable boxes: (1) Final K-1 (2) Amended K-1

	(a) Pro rata share items	(b) Amount	(c) Form 1040 filers enter the amount in column (b) on:	
Income (Loss)	1 Ordinary income (loss) from trade or business activities	1 254,412.	See Shareholder's Instructions for Schedule K-1 (Form 1120S).	
	2 Net income (loss) from rental real estate activities	2		
	3 Net income (loss) from other rental activities	3		
	4 Portfolio income (loss):			
	a Interest	4a 13,121.	Schedule B, Part I, line 1	
	b Ordinary dividends	4b	Schedule B, Part II, line 5	
	c Royalties	4c	Schedule E, Part I, line 4	
	d Net short-term capital gain (loss)	4d	Schedule D, line 5, col (f)	
	e Net long-term capital gain (loss)			
	(1) 28% rate gain (loss)	e(1)	Schedule D, line 12, col (g)	
(2) Total for year	e(2)	Schedule D, line 12, col (f)		
f Other portfolio income (loss) (attach schedule)	4f	(Enter on applicable line of return.)		
5 Net Section 1231 gain (loss) (other than due to casualty or theft)	5	See Shareholder's Instructions for Schedule K-1 (Form 1120S).		
6 Other income (loss) (attach schedule)	6	(Enter on applicable line of return.)		
Deductions	7 Charitable contributions (attach schedule) SEE LINE 23	7 1,227.	Schedule A, line 15 or 16	
	8 Section 179 expense deduction	8	See Shareholder's Instructions for Schedule K-1 (Form 1120S).	
	9 Deductions related to portfolio income (loss) (attach schedule)	9		
	10 Other deductions (attach schedule)	10		
Investment Interest	11a Interest expense on investment debts	11a	Form 4952, line 1 See Shareholder's Instructions for Schedule K-1 (Form 1120S).	
	b(1) Investment income included on lines 4a, 4b, 4c, and 4f above	b(1) 13,121.		
	(2) Investment expenses included on line 9 above	b(2)		
Credits	12a Credit for alcohol used as fuel	12a	Form 6478, line 10	
	b Low-income housing credit:			
	(1) From Section 42(j)(5) partnerships for property placed in service before 1990	b(1)	Form 8586, line 5	
	(2) Other than on line 12b(1) for property placed in service before 1990	b(2)		
	(3) From Section 42(j)(5) partnerships for property placed in service after 1989	b(3)		
	(4) Other than on line 12b(3) for property placed in service after 1989	b(4)		
	c Qualified rehabilitation expenditures related to rental real estate activities	12c		
	d Credits (other than credits shown on lines 12b and 12c) related to rental real estate activities	12d	See Shareholder's Instructions for Schedule K-1 (Form 1120S).	
	e Credits related to other rental activities	12e		
	13 Other credits	13		

BAA For Paperwork Reduction Act Notice, see the instructions for Form 1120S.

Schedule K-1 (Form 1120S) 1998

CLIENT'S COPY

Schedule K-1 (Form 1120S) (1998) JOHN W. MAILEY

381-44-6408

Page 2

	(a) Pro rata share items	(b) Amount	(c) Form 1040 filers enter the amount in column (b) on:
<b>Adjustments and Tax Preference Items</b>	<b>14a</b> Depreciation adjustment on property placed in service after 1986	<b>14a</b>	See Shareholder's Instructions for Schedule K-1 (Form 1120S) and Instructions for Form 6251
	<b>b</b> Adjusted gain or loss	<b>14b</b>	
	<b>c</b> Depletion (other than oil and gas)	<b>14c</b>	
	<b>d (1)</b> Gross income from oil, gas, or geothermal properties	<b>d (1)</b>	
	<b>(2)</b> Deductions allocable to oil, gas, or geothermal properties	<b>d (2)</b>	
	<b>e</b> Other adjustments and tax preference items (attach schedule)	<b>14e</b>	
<b>Foreign Taxes</b>	<b>15a</b> Type of income		Form 1116, Check boxes
	<b>b</b> Name of foreign country or U.S. possession		
	<b>c</b> Total gross income from sources outside the United States (attach schedule)	<b>15c</b>	Form 1116, Part I
	<b>d</b> Total applicable deductions and losses (attach schedule)	<b>15d</b>	
	<b>e</b> Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	<b>15e</b>	Form 1116, Part II
	<b>f</b> Reduction in taxes available for credit (attach schedule)	<b>15f</b>	Form 1116, Part III
	<b>g</b> Other foreign tax information (attach schedule)	<b>15g</b>	See Instructions for Form 1116
<b>Other</b>	<b>16</b> Section 59(e)(2) expenditures: <b>a</b> Type		See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	<b>b</b> Amount	<b>16b</b>	
	<b>17</b> Tax-exempt interest income	<b>17</b>	Form 1040, line 8b
	<b>18</b> Other tax-exempt income	<b>18</b>	
	<b>19</b> Nondeductible expenses	<b>19</b>	7,480.
	<b>20</b> Property distributions (including cash) other than dividend distributions reported to you on Form 1099-DIV	<b>20</b>	See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	<b>21</b> Amount of loan repayments for 'Loans from Shareholders'	<b>21</b>	
	<b>22</b> Recapture of low-income housing credit:		
<b>a</b> From Section 42(j)(5) partnerships	<b>22a</b>		Form 8611, line 8
<b>b</b> Other than on line 22a	<b>22b</b>		

**23** Supplemental information required to be reported separately to each shareholder (attach additional schedules if more space is needed):

LINE 7 - CHARITABLE CONTRIBUTIONS:  
CONTRIBUTIONS  
TOTAL

1,227.  
1,227.

Supple-  
mental  
Infor-  
mation

Schedule K-1  
(Form 1120S)

## Shareholder's Share of 1998 Income, Credits, Deductions, etc

OMB No. 1545-0130

▶ See separate instructions.

For calendar year 1998 or tax year

1998

Department of the Treasury  
Internal Revenue Service

beginning

, 1998, and ending

, 19

Shareholder's identifying number ▶ 376-42-0636

Corporation's identifying number ▶ 38-3265049

Shareholder's Name, Address, and ZIP Code

Corporation's Name, Address, and ZIP Code

JOHN G. COOPER  
7247 MCCLANDISH RD.  
GRAND BLANC, MI 48439NUTECH PLASTICS ENGINEERING, INC.  
8018 EMBURY RD.  
GRAND BLANC, MI 48439

- A Shareholder's percentage of stock ownership for tax year (see instructions for Schedule K-1) ..... ▶ 49.00000 %
- B Internal Revenue Service Center where corporation filed its return ..... ▶ Cincinnati, OH 45999-0013
- C Tax shelter registration number (see instructions for Schedule K-1) ..... ▶
- D Check applicable boxes: (1) Final K-1 (2) Amended K-1

(a) Pro rata share items		(b) Amount	(c) Form 1040 filers enter the amount in column (b) on:
Income (Loss)	1 Ordinary income (loss) from trade or business activities .....	1 244,436.	See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	2 Net income (loss) from rental real estate activities .....	2	
	3 Net income (loss) from other rental activities .....	3	
	4 Portfolio income (loss):		
	a Interest .....	4a 12,606.	Schedule B, Part I, line 1
	b Ordinary dividends .....	4b	Schedule B, Part II, line 5
	c Royalties .....	4c	Schedule E, Part I, line 4
	d Net short-term capital gain (loss) .....	4d	Schedule D, line 5, col (f)
	e Net long-term capital gain (loss):		
	(1) 28% rate gain (loss) .....	e(1)	Schedule D, line 12, col (g)
(2) Total for year .....	e(2)	Schedule D, line 12, col (f)	
f Other portfolio income (loss) (attach schedule) .....	4f	(Enter on applicable line of return.)	
5 Net Section 1231 gain (loss) (other than due to casualty or theft) .....	5	See Shareholder's Instructions for Schedule K-1 (Form 1120S).	
6 Other income (loss) (attach schedule) .....	6	(Enter on applicable line of return.)	
Deductions	7 Charitable contributions (attach schedule) ..... SEE LINE 23	7 1,179.	Schedule A, line 15 or 16
	8 Section 179 expense deduction .....	8	See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	9 Deductions related to portfolio income (loss) (attach schedule) .....	9	
	10 Other deductions (attach schedule) .....	10	
Investment Interest	11a Interest expense on investment debts .....	11a	Form 4952, line 1
	b (1) Investment income included on lines 4a, 4b, 4c, and 4f above .....	b(1) 12,606.	See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	(2) Investment expenses included on line 9 above .....	b(2)	
Credits	12a Credit for alcohol used as fuel .....	12a	Form 6478, line 10
	b Low-income housing credit:		
	(1) From Section 42(j)(5) partnerships for property placed in service before 1990 .....	b(1)	Form 8586, line 5
	(2) Other than on line 12b(1) for property placed in service before 1990 .....	b(2)	
	(3) From Section 42(j)(5) partnerships for property placed in service after 1989 .....	b(3)	
	(4) Other than on line 12b(3) for property placed in service after 1989 .....	b(4)	
	c Qualified rehabilitation expenditures related to rental real estate activities .....	12c	
	d Credits (other than credits shown on lines 12b and 12c) related to rental real estate activities .....	12d	See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	e Credits related to other rental activities .....	12e	
	13 Other credits .....	13	

BAA For Paperwork Reduction Act Notice, see the instructions for Form 1120S.

Schedule K-1 (Form 1120S) 1998

Schedule K-1 (Form 1120S) (1998) JOHN G. COOPER

376-42-0636

Page 2

(a) Pro rata share items		(b) Amount	(c) Form 1040 filers enter the amount in column (b) on:
Adjustments and Tax Preference Items	14a Depreciation adjustment on property placed in service after 1986	14a	See Shareholder's Instructions for Schedule K-1 (Form 1120S) and Instructions for Form 6251
	b Adjusted gain or loss	14b	
	c Depletion (other than oil and gas)	14c	
	d (1) Gross income from oil, gas, or geothermal properties	d(1)	
	(2) Deductions allocable to oil, gas, or geothermal properties	d(2)	
	e Other adjustments and tax preference items (attach schedule)	14e	
Foreign Taxes	15a Type of income ▶		Form 1116, Check boxes
	b Name of foreign country or U.S. possession ▶		
	c Total gross income from sources outside the United States (attach schedule)	15c	Form 1116, Part I
	d Total applicable deductions and losses (attach schedule)	15d	
	e Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	15e	Form 1116, Part II
	f Reduction in taxes available for credit (attach schedule)	15f	Form 1116, Part III
	g Other foreign tax information (attach schedule)	15g	See Instructions for Form 1116
Other	16 Section 59(e)(2) expenditures: a Type ▶		See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	b Amount	16b	
	17 Tax-exempt interest income	17	Form 1040, line 8b
	18 Other tax-exempt income	18	
	19 Nondeductible expenses	19	7,186.
	20 Property distributions (including cash) other than dividend distributions reported to you on Form 1099-DIV	20	See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	21 Amount of loan repayments for 'Loans from Shareholders'	21	
	22 Recapture of low-income housing credit:		
a From Section 42(j)(5) partnerships	22a		Form 8611, line 8
b Other than on line 22a	22b		

23 Supplemental information required to be reported separately to each shareholder (attach additional schedules if more space is needed):

LINE 7 - CHARITABLE CONTRIBUTIONS:

CONTRIBUTIONS

1,179.

TOTAL

1,179.

Supplemental Information

Form 1120S, Page 1, Line 5

**Other Income (Loss)**

OTHER INCOME	11,909.
Total	<u>11,909.</u>

Form 1120S, Page 1, Line 19

**Other Deductions**

BANK SERVICE CHARGES	8,788.
BLUEPRINTS	2,585.
DUES & SUBSCRIPTIONS	2,756.
EQUIPMENT RENTAL	979,151.
FEES & PERMITS	500.
AMORTIZATION	4,603.
CONTRACT LABOR	73,643.
GENERAL INSURANCE	15,196.
WORKER'S COMPENSATION INS	19,030.
UMBRELLA INSURANCE	1,173.
MISCELLANEOUS	12,281.
POSTAGE AND DELIVERY	3,625.
ACCOUNTING	2,675.
CONSULTING	25,894.
LEGAL FEES	16,067.
MEALS AND ENTERTAINMENT (50%)	14,667.
TELEPHONE	27,120.
PAGER SERVICE	3,948.
TRAVEL	30,014.
UNIFORMS	7,036.
GAS & ELECTRIC	198,150.
WATER	389.
VEHICLE EXPENSE	43,859.
WASTE COLLECTION	4,245.
SUPPLIES	68,873.
PAYROLL EXPENSES - OTHER	57.
Total	<u>1,566,325.</u>

Form 1120S, Page 2, Schedule A, Line 5

**Schedule A, Other Costs**

FREIGHT	43,526.
ENGINEERING	263.
EQUIPMENT MAINTENANCE	75,976.
SHOP SUPPLIES	92,974.
QUALITY CONTROL SUPPLIES	13,603.
Total	<u>226,342.</u>

CLIENT'S COPY

Other Current Assets:

Tax Returns 1996-1998 Pg 56 of 67

1120S, Schedule L, Line 6

Other Current Assets:	Beginning of tax year	End of tax year
ACCTS RECEIVABLE-EMPLOYEE	250.	
PAYROLL DEDUCTIONS		
ACCOUNT RECEIVABLE - MISC	2,352.	
PREPAID EXPENSES		
Total	2,602.	

Other Current Liabilities:

1120S, Schedule L, Line 18

Other Current Liabilities:	Beginning of tax year	End of tax year
ACCRUED EXPENSES	59,054.	
NOTE PAYABLE - MNB	325,000.	
UNREMITTED STATE WITHHOLD		5,539.
GARNISHMENTS PAYABLE		73.
ACCRUED PAYROLL		964.
ACCRUED PAYROLL TAXES		4,212.
SEC. 125 PAYABLE		7,502.
ACCRUED PROPERTY TAXES		65,020.
ACCRUED SINGLE BUSINESS TAX		14,832.
Total	384,054.	98,202.

Form 1120S, Page 4, Schedule M-2, Line 3

## Schedule M-2, Other Additions

INTEREST INCOME	25,727.	
Total	25,727.	

Form 1120S, Page 4, Schedule M-2, Line 5

## Schedule M-2, Other Reductions

CHARITABLE CONTRIBUTIONS	2,406.	
TRAVEL AND ENTERTAINMENT	14,666.	
DEPRECIATION ERROR	77.	
Total	17,149.	

CLIENT'S COPY



**SINGLE BUSINESS TAX ANNUAL RETURN**

Issued under authority of P.A. 228 of 1975. See instruction booklet for filing guidelines.

IDENTIFICATION	
▶ 1 This return is for calendar year <b>1998</b> or for the following tax year Beginning Date: month <u>  </u> year <u>1998</u> Ending Date: month <u>19</u> year <u>  </u>	▶ 5 Federal Employer ID No. (FEIN) or TR No. <u>38-3265049</u>
2 Name (Type or Print) <b>NUTECH PLASTICS ENGINEERING, INC.</b>	6a Check this box if address is new <input type="checkbox"/> b Check this box if discontinued <input type="checkbox"/> Effective date of discontinuance <u>                    </u>
d/b/a	7 Business Start Date <u>10-26-1995</u>
Street Address <b>8018 EMBURY RD.</b>	8 Principal Business Activity <b>MANUFACTURING</b>
City, State, ZIP <b>GRAND BLANC, MI 48439</b>	▶ 9 Organization Type (check one) a. <input type="checkbox"/> Individual b. <input type="checkbox"/> Fiduciary c. <input type="checkbox"/> Professional Corporation d. <input checked="" type="checkbox"/> S-Corporation e. <input type="checkbox"/> Other Corporation f. <input type="checkbox"/> Partnership g. <input type="checkbox"/> Limited Liability Company
▶ 3 Check this box if you are filing a Michigan consolidated return. <input type="checkbox"/> Enter authorization number <u>                    </u>	
▶ 4 Check this box if you are a member of a controlled group (see instruction book). <input type="checkbox"/>	

▶ Check this box if someone else prepares your return and you DO NOT need a book mailed to you. ▶ ☒

10 Gross receipts	▶ 10 <u>17,596,761.</u>
11 Business income. <u>File using the Short-Method, go to C-8000S, line 9</u>	▶ 11 <u>522,169.</u>
<b>COMPENSATION</b>	
12 Salaries, wages and other payments to employees	▶ 12 <u>1,506,530.</u>
13 Employee insurance plans - health, life	▶ 13 <u>127,681.</u>
14 Pension, retirement, profit sharing plans	▶ 14 <u>0.</u>
15 Other payments - supplemental unemployment benefit trust, etc.	▶ 15 <u>0.</u>
16 Total Compensation. Add lines 12-15	▶ 16 <u>1,634,211.</u>
<b>ADDITIONS (to the extent deducted in arriving at business income)</b>	
17 Depreciation and other write-off of tangible assets	▶ 17 <u>184,931.</u>
18 Taxes imposed on or measured by income (city, state, foreign)	▶ 18 <u>0.</u>
19 Single business tax	▶ 19 <u>14,832.</u>
20 Dividends, interest and royalty expenses	▶ 20 <u>207,913.</u>
21 Capital loss carryover or carryback	▶ 21 <u>0.</u>
22 Net operating loss carryover or carryback	▶ 22 <u>0.</u>
23 Gross interest and dividend income from bonds and similar obligations issued by states other than Michigan and its political subdivisions	▶ 23 <u>0.</u>
24 Any deduction or exclusion due to classification as FSC or similar classification and expenses of financial organizations (see inst.)	▶ 24 <u>0.</u>
25 Losses from partnerships. Account no. <u>                    </u>	▶ 25 <u>0.</u>
26 Total Additions. Add lines 17-25	▶ 26 <u>407,676.</u>
27 Subtotal. Add lines 11, 16 and 26	▶ 27 <u>2,564,056.</u>
<b>SUBTRACTIONS</b>	
28 Dividends, interest and royalty income included in business income	▶ 28 <u>25,727.</u>
29 Capital losses not deducted in arriving at business income	▶ 29 <u>0.</u>
30 Income from partnerships included in business income, Account no. <u>                    </u>	▶ 30 <u>0.</u>
31 Total Subtractions. Add lines 28-30	▶ 31 <u>25,727.</u>
<b>TAX BASE</b>	
32 Tax Base. Subtract line 31 from line 27	▶ 32 <u>2,538,329.</u>
33 Apportioned Tax Base. Multiply line 32 by <u>                    </u> % (from form C-8000H, line 16 or 19)	▶ 33 <u>0.</u>
Go to page 2	

<b>PAYMENT</b>	
63 What amount did you enter on page 2, line 59?	PAY THIS AMOUNT ▶ 63 <u>14,832.</u>

Attachments: Attach copies of the federal forms listed in the instructions to your return. Also attach all required SBT schedules.

Payment: Payable to "State of Michigan." Write your FEIN on the check.

Mail to: Michigan Dept. of Treasury  
P.O. Box 30059  
Lansing, MI 48909

**TAX BASE**

34 What amount did you enter on line 32 or 33 (whichever applies)? 34 2,538,329.

**ADJUSTMENTS**

35 Capital acquisition deduction (C-8000D, line 7 or 8, whichever applies) 35 644,834.

36 Recapture of capital acquisition deduction (from form C-8000D, line 26) ▶ 36 0.

37 Net capital acquisition deduction. Subtract line 36 from line 35 37 644,834.

NOTE: A negative amount on line 37 will increase your tax base.

38 ADJUSTED TAX BASE BEFORE loss deduction and statutory exemption.

Subtract (if negative add) line 37 from line 34 ▶ 38 1,893,495.

If negative, this is business loss carryforward; do not complete lines 39 through 50.

39 Business loss deduction 39 1,166,942.

40 Adjusted Tax Base Before Statutory Exemption. Subtract line 39 from line 38 40 726,553.

**STATUTORY EXEMPTION** Complete and attach the Statutory Exemption Schedule (form C-8043).

41 Allowable statutory exemption (from form C-8043, line 16) 41 0.

42 Adjusted Tax Base. Subtract line 41 from line 40. Check if C-8000G is attached ▶ a ☐ 42 726,553.

**REDUCTIONS, CREDITS, TAX**

43 Reduction to adjusted tax base, if applicable (see instructions for form C-8000S) 43 10,036.

44 Taxable base. Subtract line 43 from line 42. If you used the gross receipts short-method, enter the amount from form C-8000S, line 14 44 716,517.

45 Tax Before Credits. Multiply line 44 by 2.3% (.023) ▶ 45 16,480.

The small business and contribution credits are computed on form C-8000C. Complete the C-8000C before continuing. If you are not filing a C-8000C, enter the amount from line 45 on line 46.

46 Enter either the amount from form C-8000, line 45 or C-8000C, line 19, 26 or 36 46 16,480.

47 Unincorporated/S-Corp. Credit. Multiply line 46 by percent from page 14. 47 1,648.

48 Nonrefundable credits from C-8000MC, line 64 or 70 48 0.

49 Add lines 47 and 48 49 1,648.

50 Tax After Nonrefundable Credits. Subtract line 49 from line 46 ▶ 50 14,832.

**PAYMENTS AND TAX DUE**

51 Overpayment credited from 1997 51 0.

52 Estimated tax payments 52 0.

53 Tax paid with request for extension 53 0.

54 Refundable credits from C-8000MC, line 12 54 0.

55 Total. Add lines 51-54 ▶ 55 0.

56 TAX DUE. Subtract line 55 from line 50. If less than zero, leave blank ▶ 56 14,832.

57 Underpaid estimate penalty and interest from form C-8020, line 28 or 38 whichever applies 57 0.

58 Annual return penalty at % = and interest = 58 0.

59 Payment Due. Add lines 56 - 58. Enter this amount on page 1, line 63 59 14,832.

**YOUR REFUND or OVERPAYMENT**

60 Overpayment. Subtract line 50 from line 55 60 0.

61 How much of the amount on line 60 do you want refunded to you? ▶ 61 0.

62 How much of the amount on line 60 do you want credited forward? ▶ 62 0.

**SIGNATURE, DECLARATION AND AUTHORIZATION****TAXPAYER'S DECLARATION**

I declare, under penalty of perjury, that this return is true and correct to the best of my knowledge.

☒ I authorize Treasury to discuss my return with my preparer.

☐ Do not discuss my return with my preparer.

Taxpayer's Signature

Print or Type Taxpayer's Name

Date

Title

**PREPARER'S DECLARATION**

I declare, under penalty of perjury, that this return is based on all information of which I have any knowledge.

Preparer's Signature

Print or Type Preparer's Name

JOHN L. DAIG, C.P.A.

Date

06-17-99

Business Address, Phone and Identification Number

DAIG & DAIG P.C., CPAs  
G-4067 VanSlyke Road  
Flint, MI 48507  
(810) 232-8500

This return is due April 30, or on or before the last day of the 4th month after the close of your tax year.

Michigan Department of Treasury  
(Rev. 12-98)

Tax Form 1998-1999, Pg. 59 of 67

**CREDIT for SMALL  
BUSINESSES and  
CONTRIBUTION CREDITS****C-8000C  
1998**This form is filed under authority of P.A. 228 of 1975.  
See instruction booklet for filing guidelines.

1 Name

NUTECH PLASTICS ENGINEERING, INC.

2 Federal Employer ID No. (FEIN) or TR No.

38-3265049

**YOUR TAX and CREDIT FOR SMALL BUSINESSES**The standard small business credit and the alternate tax are **NOT** available if any of the following conditions exist:

- 1) Gross Receipts exceed \$10,000,000; or
- 2) Adjusted business income after loss adjustment exceeds:
  - a. \$475,000 for corporations and partnerships
  - b. \$115,000 for an individual or fiduciary; or
- 3) Any shareholder or officer has compensation or allocated income after loss adjustment of over \$115,000, or any partner has distributive share of income after loss adjustment of over \$115,000, as determined on C-8000KC or C-8000KP. (Form C-8000KC or C-8000KP must be attached.)

NOTE: Members of controlled groups must attach a copy of their Allocation of Statutory Exemption, Standard Small Business Credit, and Alternate Tax for Members of Controlled Groups (form C-8009).

If you are not claiming a small business credit but have contribution credits, go to line 28.**PART 1 ADJUSTED BUSINESS INCOME**

3	Business income (from C-8000, line 11)	3	522,169.
4	Capital loss carryover or carryback (from C-8000, line 21)	4	0.
5	Net operating loss carryover or carryback (from C-8000, line 22)	5	0.
6	Subtotal. Add lines 3, 4 and 5	6	522,169.
7	Compensation and director fees of active shareholders (from C-8000KC, line 6)	7	74,483.
8	Compensation and director fees of officers (from C-8000KC, line 7)	8	0.
9	Adjusted business income. Add lines 6, 7, and 8. If less than zero, enter 100% on line 13	9	596,652.

**PART 2 SMALL BUSINESS CREDIT**

10	Tax base (from C-8000, line 32)	10	
11	Tax base for credit. Multiply line 10 by 45% (.45)	11	
12	Income percentage. Divide line 9 by line 11 and multiply by 100 to find percentage	12	%
13	Credit percentage. Subtract line 12 from 100%. If this is a negative number, (if line 9 exceeds line 11) you are not eligible for this credit (go to line 16 to calculate alternate tax)	13	%
14	Tax (from C-8000, line 45)	TAX 14	\$
15	Standard Small Business Credit. Multiply line 13 by line 14	15	
16	Alternate tax. Multiply line 9 by 2% (.02)	16	
17	Alternate Credit. Subtract line 16 from line 14	17	
18a	Small business credit. Enter the greater of line 15 or 17	18a	
b	Reduced small business credit. For tax years beginning after December 31, 1997, if an individual, a partner in a partnership or a shareholder of a corporation has allocated income after loss adjustment between \$95,000 and \$115,000, use the Reduced Credit Table on page 22 to find your reduced credit %.		
	Multiply line 18a by %	18b	
19	Tax after small business credit. Subtract line 18a or 18b (whichever is applicable) from line 14	19	

If your gross receipts are equal to or less than \$9 million and you are not claiming contribution credits, enter the amount on line 19 on your C-8000, line 46. Otherwise, go to page 2.

**PART 3 GROSS RECEIPTS REDUCTION.**

Complete this section if your gross receipts are more than \$9,000,000 but less than \$10,000,000.

- 20 Gross receipts (from C-8000, line 10). See instructions if your tax year is less than 12 months ..... 20 \_\_\_\_\_
- 21 Excess gross receipts. Subtract \$9,000,000 from line 20 ..... 21 \_\_\_\_\_
- 22 Excess percentage. Divide line 21 by \$1,000,000 ..... 22 \_\_\_\_\_ %
- 23 Allowable percentage. Subtract line 22 from 100% ..... 23 \_\_\_\_\_ %
- 24 Tax from line 14 or C-8000, line 45. .... 24 \_\_\_\_\_
- 25 Multiply the percentage on line 23 by the credit on line 18a or line 18b (whichever is applicable) ..... 25 \_\_\_\_\_
- 26 Tax after small business credit. Subtract line 25 from line 24 ..... ▶ 26 \_\_\_\_\_

If you are not claiming contribution credits, enter the amount on line 26 on your C-8000, line 46.

**PART 4 CONTRIBUTION CREDITS**

Complete this section ONLY if you are claiming contribution credits.

- 27 Enter the amount from line 19 or 26, whichever applies. Affiliated or controlled groups or entities under common control, enter the amount from C-8009, line 33 or 34 ..... 27 \_\_\_\_\_
- 28 If you did not claim a small business credit, enter the amount from form C-8000, line 45 ..... 28 16,480.
- 29 Community Foundations donations (see instructions) ..... ▶ 29a 0.
- b Credit. Enter the smaller of 50% of line 29a, \$5,000, or 5% of your tax on C-8000, line 45 ..... 29b 0.
- c Find the code in the C-8000C instructions for the community foundation you contributed to and enter the code here ..... ▶ 29c \_\_\_\_\_
- 30 Subtract line 29b from line 27 or 28 ..... 30 16,480.
- 31 Homeless Credit donations (see instructions) ..... ▶ 31a 0.
- b Credit. Enter the smaller of 50% of line 31a, \$5,000 or 5% of your tax on C-8000, line 45 ..... 31b 0.
- 32 Subtract line 31b from line 30 ..... 32 16,480.
- 33 Public Contributions (see instructions) ..... ▶ 33a 0.
- b Credit. Enter the smaller of 50% of line 33a, \$5,000, or 5% of line 32 ..... 33b 0.
- 34 Public Utility Property Tax for taxable year (see inst.) ..... ▶ 34a 0.
- b Credit. Enter 5% of line 34a (cannot exceed tax liability) ..... 34b 0.
- 35 Add lines 33b and 34b ..... 35 0.
- 36 Tax After Credits. Subtract line 35 from line 32. Enter here and on your C-8000, line 46 ..... 36 16,480.

**REDUCED CREDIT TABLE**

If allocated income* is:	The reduced credit is:
\$95,001 - \$99,999 .....	80% of the small business credit
\$100,000 - \$104,999 .....	60% of the small business credit
\$105,000 - \$109,999 .....	40% of the small business credit
\$110,000 - \$115,000 .....	20% of the small business credit

\*See page 6 for tax years less than 12 months.

C-8000D  
1998

This form is filed under authority of P.A. 228 of 1975.  
See instruction booklet for filing guidelines.

1 Name

NUTECH PLASTICS ENGINEERING, INC.

2 Federal Employer ID No. (FEIN) or TR No.  
38-3265049

**PART 1: CAPITAL ACQUISITION DEDUCTION**

3. Enter all eligible depreciable real and personal property located in Michigan that was acquired during the tax year. Also enter all mobile tangible assets acquired during the tax year. Do not enter any real or tangible property other than mobile tangible assets not located in Michigan.

a Description	b Location	c Date Acquired	d Cost Paid or Accrued During Tax Year
ELECTRICAL WORK	GRAND BLANC, MI	5/98	103972
GOYETTE MECHANICAL	GRAND BLANC, MI	9/98	10283
SOFTWARE	GRAND BLANC, MI	2/98	307
COMPAQ COMPUTER	GRAND BLANC, MI	3/98	1800
HP 672C PRINTER	GRAND BLANC, MI	3/98	200
COMPUTER	GRAND BLANC, MI	3/98	1802

4. Total column 3d ..... 4. 644834.  
If you did not have property moved into Michigan during the tax year, enter the amount from line 4 on line 7.

5. Enter all eligible depreciable real and personal property acquired in a tax year beginning after December 31, 1996 for use outside of Michigan that was transferred into Michigan during the tax year. Do not include mobile tangible assets.

a Description	b Location	c Date Physically Located in Mich.	d Federal Adjusted Basis as of Date Moved

6. Total column 5d ..... 6. 0.

**7. Total eligible depreciable real and personal property**

Add lines 4 and 6, column d. If you are not taxable in another state, enter the amount from line 7 on form C-8000, line 35. If you are subject to apportionment complete line 8

7. 644834.

8. Apportioned capital acquisition deduction. Multiply line 7 by the percentage from C-8000H, line 16 or 19 (whichever applies). Enter here and on form C-8000, line 35

8.

9. Enter the total cost paid or accrued of all depreciable real and personal property located everywhere that was acquired during the tax year (authorized under MCL 208.80(3)) (Do not use this figure on form C-8000, line 35)

9. 708562.

**SINGLE-BUSINESS TAX**  
**CAPITAL ACQUISITION ADJUSTMENT**

Exhibit 1 -

**C-8000D**  
**1998**

This form is filed under authority of P.A. 228 of 1975.  
See instruction booklet for filing guidelines.

1 Name **NUTECH PLASTICS ENGINEERING, INC.** 2 Federal Employer ID No. (FEIN) or TR No. **38-3265049**

**PART 1: CAPITAL ACQUISITION DEDUCTION**

3. Enter all eligible depreciable real and personal property located in Michigan that was acquired during the tax year. Also enter all mobile tangible assets acquired during the tax year. Do not enter any real or tangible property other than mobile tangible assets not located in Michigan.

a Description	b Location	c Date Acquired	d Cost Paid or Accrued During Tax Year
CDS LAPTOP COMPUTER	GRAND BLANC, MI	3/98	1699
10 COMPUTERS	GRAND BLANC, MI	3/98	13325
PHONE	GRAND BLANC, MI	4/98	295
COMPUTER ACCESSORIES	GRAND BLANC, MI	8/98	1960
VERSA 6050MH	GRAND BLANC, MI	9/98	1530
CYRIX 200 M2 COMPUTER	GRAND BLANC, MI	11/98	1852

4. Total column 3d ..... 4. **644834.**  
If you did not have property moved into Michigan during the tax year, enter the amount from line 4 on line 7.

5. Enter all eligible depreciable real and personal property acquired in a tax year beginning after December 31, 1996 for use outside of Michigan that was transferred into Michigan during the tax year. Do not include mobile tangible assets.

a Description	b Location	c Date Physically Located in Mich.	d Federal Adjusted Basis as of Date Moved

6. Total column 5d ..... 6. **0.**

**7. Total eligible depreciable real and personal property**

Add lines 4 and 6, column d. If you are not taxable in another state, enter the amount from line 7 on form C-8000, line 35. If you are subject to apportionment complete line 8.

7. **644834.**

8. **Apportioned capital acquisition deduction.** Multiply line 7 by the percentage from C-8000H, line 16 or 19 (whichever applies). Enter here and on form C-8000, line 35.

8. \_\_\_\_\_

9. Enter the total cost paid or accrued of all depreciable real and personal property located everywhere that was acquired during the tax year (authorized under MCL 208.80(3)) (Do not use this figure on form C-8000, line 35)

9. **708562.**

**CAPITAL ACQUISITION ADJUSTMENT**

**C-8000D  
1998**

This form is filed under authority of P.A. 228 of 1975.  
See instruction booklet for filing guidelines.

1 Name  
**NUTECH PLASTICS ENGINEERING, INC.**

2 Federal Employer ID No. (FEIN) or TR No.  
**38-3265049**

**PART 1: CAPITAL ACQUISITION DEDUCTION**

3. Enter all eligible depreciable real and personal property located in Michigan that was acquired during the tax year. Also enter all mobile tangible assets acquired during the tax year. Do not enter any real or tangible property other than mobile tangible assets not located in Michigan.

a Description	b Location	c Date Acquired	d Cost Paid or Accrued During Tax Year
3 MONITORS	GRAND BLANC, MI	11/98	225
PLANT EQUIPMENT	GRAND BLANC, MI	6/98	446334
1997 GMC YUKON	GRAND BLANC, MI	12/98	29637
1996 CHRYSLER LHS	GRAND BLANC, MI	11/98	15513
1993 FREIGHTLINER	GRAND BLANC, MI	12/98	14100

4. Total column 3d ..... 4. **644834.**

If you did not have property moved into Michigan during the tax year, enter the amount from line 4 on line 7.

5. Enter all eligible depreciable real and personal property acquired in a tax year beginning after December 31, 1996 for use outside of Michigan that was transferred into Michigan during the tax year. Do not include mobile tangible assets.

a Description	b Location	c Date Physically Located in Mich.	d Federal Adjusted Basis as of Date Moved

6. Total column 5d ..... 6. **0.**

7. Total eligible depreciable real and personal property

Add lines 4 and 6, column d. If you are not taxable in another state, enter the amount from line 7 on form C-8000, line 35. If you are subject to apportionment complete line 8

7. **644834.**

8. Apportioned capital acquisition deduction. Multiply line 7 by the percentage from C-8000H, line 16 or 19 (whichever applies). Enter here and on form C-8000, line 35

8. **708562.**

9. Enter the total cost paid or accrued of all depreciable real and personal property located everywhere that was acquired during the tax year (authorized under MCL 208.80(3)) (Do not use this figure on form C-8000, line 35)

9. **708562.**

## RECAPTURE OF CAPITAL ACQUISITION DEDUCTION

## PART 2

10. Enter all depreciable **real property** located in Michigan that was sold or otherwise disposed of during the tax year. Include property acquired on or after January 1, 1976 and in tax years beginning before October 1, 1989.

a Description	b Location	c Date Acquired	d Date Sold	e Gross Sales Price	f Gain or (loss)

11. Total columns 10e and 10f\* ..... 11. 0 0

12. **Adjusted Proceeds.** If line 11f is a gain, subtract it from 11e. If line 11f is a loss, add it to 11e ..... 12. 0.

If taxable in another state, complete lines 13 and 14; otherwise, go to line 15.

13. Apportioned gains or (losses). Multiply line 11f by the percentage from C-8000H, line 16 or line 19, whichever applies ..... 13. \_\_\_\_\_

14. Apportioned Adjusted Proceeds. If line 13 is a gain, subtract it from 11e. If line 13 is a loss, add it to 11e ..... 14. \_\_\_\_\_

## PART 3

15. Enter all depreciable **personal property** that was sold or otherwise disposed of during the tax year. Include property acquired on or after January 1, 1976 and in tax years beginning before October 1, 1989.

a Description	b Location	c Date Acquired	d Date Sold	e Gross Sales Price	f Gain or (loss)

16. Total columns 15e and 15f\* ..... 16. 0 0

17. **Adjusted Proceeds.** If line 16f is a gain, subtract it from 16e. If line 16f is a loss, add it to 16e ..... 17. 0.

If taxable in another state, complete line 18; otherwise go to line 19.

18. Apportioned Adjusted Proceeds. Multiply line 17 by the percentage from C-8000H, line 23 ..... 18. \_\_\_\_\_

## PART 4

19. Enter all depreciable **real and personal property** that was sold or otherwise disposed of during the tax year. Include property acquired in tax years beginning after September 30, 1989 and before January 1, 1997. Also include real and personal property acquired in tax years beginning after December 31, 1996 and located in Michigan, or moved into Michigan after acquisition. Also enter all mobile tangible assets acquired in tax years beginning after December 31, 1996.

a Description	b Location	c Date Acquired	d Date Sold	e Gross Sales Price	f Gain or (loss)

20. Total columns 19e and 19f\* ..... 20. 0 0

21. **Adjusted Proceeds.** If line 20f is a gain, subtract it from 20e. If line 20f is a loss, add it to 20e ..... 21. 0.

If taxable in another state, complete line 22; otherwise go to line 23

22. Apportioned Adjusted Proceeds. Multiply line 21 by the percentage from C-8000H, line 16 or 19 ..... 22. \_\_\_\_\_

## PART 5

23. Enter all depreciable **real and personal property** transferred outside Michigan, other than mobile tangible assets, acquired in tax years beginning after December 31, 1996 that were eligible for a capital acquisition deduction.

a Description	b Location	c Date Acquired	d Date Transferred	e Adjusted Federal Basis

24. Total column 23e ..... 24. 0

25. Apportioned total federal basis. Multiply line 24 by the percentage from C-8000H, line 16 or 19, whichever applies. ..... 25. 0.

## PART 6

26. **TOTAL RECAPTURE of Capital Acquisition Deduction.** Add lines 12, 17, 21 and 24 OR lines 14, 18, 22 and 25, whichever apply. Enter here and on C-8000, line 36, C-8044, line 9 or C-8030, line 5 ..... 26. 0.

\*A loss on Line 11, 16 or 20 column f will increase the recapture.



# SCHEDULE FOR SHAREHOLDERS AND OFFICERS

C-8000KC  
1998

For all corporations claiming statutory exemption or small business credit.  
This form is filed under authority of P.A. 228 of 1975. See instruction booklet for filing guidelines.

1 Name

NUTECH PLASTICS ENGINEERING, INC.

2 Federal Employer ID No. (FEIN) or TR No.  
38-3265049

## PART 1 SHAREHOLDERS AND OFFICERS - See instruction booklet.

3A Shareholder (including corporation and trust) or officer name (Last, First, Initial)	B Social Security Number	C If an officer, check here.	D %Time	E % Stock	F % Stock with attribution	G % Stock from col. F less any attribution between 2 active shareholders
a JOHN W. MAILEY	381-44-6408	X	100.00	51.00	51.00	51.00 a
b JOHN G. COOPER	376-42-0636	X	100.00	49.00	49.00	49.00 b
c						c
d						d
e						e
f						f
g						g
h						h

► % stock (not listed above) owned by shareholders who own less than 20% and receive no compensation.

0.00%

Continue below using same a through h references.

Total

100%

H Dividends (used to determine active shareholders)	I Salaries, wages and/or director fees	J Employee insurance plans, pensions, etc.	K Total compensation and director fees for officers and/or shareholders (add columns I & J)	L Share of business income/loss (C-8000C, line 8 x column G)	M Total shareholder/officer income (add columns K & L)
a 0	74,483	0	74,483	266,306	340,789 a
b 0	0	0	0	255,863	255,863 b
c					c
d					d
e					e
f					f
g					g
h					h

If you need more space attach additional C-8000KC forms. Identify each additional form and complete Part 1.

## PART 2 STATUTORY EXEMPTION - See definition of qualified shareholder in the instruction booklet.

4 Qualified shareholders. Add the number of qualified shareholders from Part 1.  
Enter here, and on C-8043, line 8a

4 2

5 Compensation and director fees of ALL shareholders. Add amounts in column K for each shareholder showing ownership in column E. Enter here, on C-8043, line 5

5 74,483

## PART 3 SMALL BUSINESS CREDIT - See definition of active shareholder in the instruction booklet.

6 Compensation and director fees of active shareholders. Add amounts in column K for each active shareholder. Enter here and on C-8000C, line 7 or C-8044, line 12

6 74,483

7 Compensation and director fees of officers. Add amounts in column K for each officer who is not an active shareholder. Enter here and on C-8000C, line 8 or C-8044, line 12

7 0

## REDUCTIONS TO ADJUSTED TAX BASE

C-8000S  
1998This form is filed under authority of P.A. 228 of 1975.  
See instruction booklet for filing guidelines.

<b>1 Name</b> NUTECH PLASTICS ENGINEERING, INC.	<b>2 Federal Employer ID No. (FEIN) or TR No.</b> 38-3265049
--	---

**NOTE:** Carry all percentages to at least six decimal places.  
Short-Method filers complete lines 9 - 14 only.

**PART 1 - COMPENSATION REDUCTION**

3 Compensation (from C-8000, line 16) .....	3 <u>1,634,211.</u>
4 Tax base (from C-8000, line 32) .....	4 <u>2,538,329.</u>
5 Divide line 3 by line 4 (maximum 100%) .....	5 <u>64.38137 %</u>
If line 5 is less than 63%, you cannot use this reduction.	
	63 %
6 Subtract 63% from line 5 (maximum 37%) .....	6 <u>1.38137 %</u>
7 Adjusted tax base (from C-8000, line 42) .....	7 <u>726,553.</u>
8 Reduction to adjusted tax base. Multiply line 6 by line 7. Complete Part 2, then use the method to your advantage .....	8 <u><u>10,036.</u></u>

**PART 2 - GROSS RECEIPTS REDUCTION** (Short-Method filers complete lines 9 - 14 only.)

9 Gross receipts (from C-8000, line 10) .....	9 <u>17,596,761.</u>
If taxable in another state, complete lines 10 and 11.	
10 Enter percentage from C-8000H, line 16 or 19, whichever applies .....	10 _____ %
11 Apportioned gross receipts. Multiply line 9 by line 10 .....	11 _____
12 Recapture of capital acquisition deduction (from C-8000D, line 26) .....	12 <u>0.</u>
13 Adjusted gross receipts. Add lines 9 or 11, whichever applies, and line 12 .....	13 <u><u>17,596,761.</u></u>
14 Gross receipts limitation. Multiply line 13 by 50% .....	14 <u>8,798,381.</u>
Short-Method filers enter here and on C-8000, line 44.	

Complete lines 15 and 16 only after you have completed Parts 1 and 2

15 Reduction to adjusted tax base. Subtract line 14 from line 7, then complete Part 3. If line 15 is less than zero, you cannot use the gross receipts reduction .....	15 <u><u>0.</u></u>
---	---------------------

**PART 3 - SUMMARY**

16 Compare lines 8 and 15. Enter the greater amount here and on your C-8000, line 43 .....	16 <u><u>10,036.</u></u>
---	--------------------------

## STATUTORY EXEMPTION SCHEDULE

This form is filed under authority of P.A. 228 of 1975.  
See instruction booklet for filing guidelines.

1 Name

NUTECH PLASTICS ENGINEERING, INC.

2 Federal Employer ID No. (FEIN,  
38-3265049

NOTE: If you are claiming a statutory exemption, you must complete and attach this schedule to your SBT Annual Return (form C-8000).

3 Business income (from C-8000 line 11). Non-corporate taxpayers, if you average business income, enter amount from C-8000G, line 9 ..... 3 522,169.

4 Loss carryback or carryforward (from C-8000, lines 21 and 22). This cannot be a negative number ..... 4 0.

5 Compensation and director fees of ALL shareholders (from C-8000KC, line 5) ..... 5 74,483.

6 Add lines 3, 4, and 5 ..... 6 596,652.

7 Statutory Exemption.  
Enter \$45,000 or the amount from C-8009, line 4 ..... 7 45,000.

## Partners or Shareholders (S or Professional Corporation) Exemption

8 Number qualified (from C-8000KP, line 5 or C-8000KC, line 4) 8a. 2 LESS 1 = 8b 1.

9 Multiply line 8b by \$12,000 (maximum \$48,000). ..... 9 12,000.

10 Increased statutory exemption. Add lines 7 and 9 ..... 10 57,000.

## Short-period/Part-year Exemption

11 Number of months covered by this return

11a 12 divided by 12 = 11b 100.000 %.

12 Multiply line 7 or 10 by the percentage on line 11b ..... 12 57,000.

## Allowable Exemption

13 Enter the amount from line 7, 10, or 12, whichever applies ..... 13 57,000.

14 Subtract line 13 from line 6. If this is a negative amount, enter zero ..... 14 539,652.

15 Multiply line 14 by 2 (cannot be less than zero) ..... 15 1,079,304.

16 Allowable Statutory Exemption. Subtract line 15 from line 13.  
Enter this amount on your C-8000, line 41 and attach this schedule to your return ..... 16 0.

If line 16 is negative, enter zero. You are not allowed a statutory exemption.